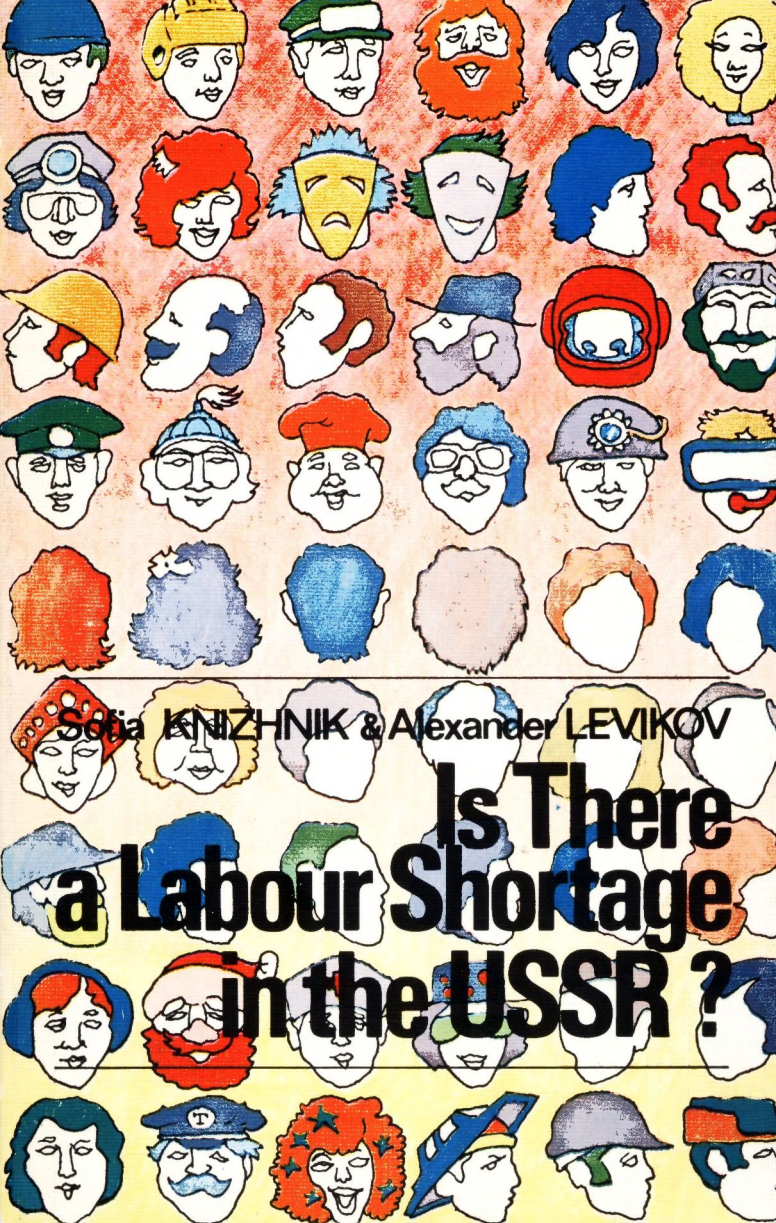

Sofia KNIZHNIK & Alexander LEVIKOV

Is There a Labour Shortage in the USSR?

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& Alexander LEVIKOV

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Novosti Press Agency Publishing House

Moscow 1983

Translated from the Russian by Valentin KOCHETKOV
Translation edited by Peter TEMPEST

Софья Книжник, Александр Левиков
СУЩЕСТВУЕТ ЛИ В СССР ДЕФИЦИТ КАДРОВ?
на английском языке
Цена 40 коп.

0802010203

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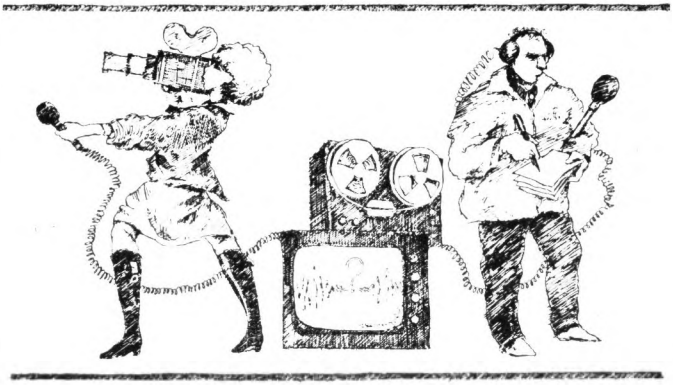
CONTENTS

Foreword	THE AUTHORS CLEAR UP A FEW POINTS	5
Chapter I	"IF A MANPOWER SHORTAGE DID NOT EXIST, IT WOULD HAVE TO BE INVENTED"	9
Chapter II	THE AUTHORS GO THROUGH THE MAIL	17
Chapter III	"PEOPLE LIKE TO BE TREATED WITH RESPECT AND KINDNESS" A Talk with Yevgeni Taranov, General Director of the **Kurganpribor** Instrument-Making Association	54
Chapter IV	"THE DIRECTOR SHOULD RUN PRODUCTION JOINTLY WITH THE WORKERS" A Talk with Valeri Pryakhin, General Director of the Kaluga Turbine Plant Association	68
Chapter V	WHAT THE EXPERTS SAY	81
Chapter VI	WHO CAN DO WHAT An Amateur's View	103
Afterword	OPTIMISM IS THE KEYNOTE	113



FOREWORD

The Authors Clear Up a Few Points

Alexander Levikov: Frankly, I don't see the point of any debate. Surely after ten years we know each other well enough.

Sofia Knizhnik: Thirteen, not ten.

L: Sorry, was it really so long ago? A friend on TV rang asking me to take part in a broadcast, saying a colleague of his would come to discuss it with me. If I am not mistaken, the programme was about engineers.

K: Yes, we said that engineering profession was losing its former prestige, engineers were often being given routine, non-creative jobs not related to their training and were sometimes doing the work of middle-grade workers, even operating lathes. We were indignant at such misuse of skills.

L: Just a moment, was it already a question of manpower shortage?

K: No, we just dealt with engineers. There were managers, research workers and journalists on the panel, but no one linked the problem with a shortage of labour.

L: Precisely! In those years we were still unaware of the problem. There were "jobs vacant" notices at all factory gates. Enterprises were looking for workers of every trade, but this was thought to indicate the soundness of the economy.

K: Yes, many TV programmes would contrast queues at labour exchanges in the capitalist world with the "jobs vacant" notices in the USSR. The demand for workers was seen as a social success.

L: In a sense this was right. The lack of unemployment is one of the gains of socialism, and this is admitted all over the world. It was pleasant for us to see it featured so strikingly in the press and on television. But the reverse side of the medal passed unnoticed then.

K: As a TV reporter I visited many plants, including the biggest in Moscow, such as the Likhachev motor works, the **Moskvich** car factory and the bearings plant, as well as electrical engineering and machine-tool building, footwear, clothing and confectionery factories. I had miles of taped interviews with hundreds of directors, foremen and economists and so far as I remember none of them saw the need for more staff as an urgent social problem and never spoke of a labour shortage.

L: Yet, this problem already existed. In the late sixties I went on several group assignments for **Literaturnaya Gazeta.** I visited oilfields near the Ob and wrote many articles. The discovery of giant oil deposits in the Tyumen region was truly phenomenal and grips the imagination even today. Then we went to the Kolyma valley and Kamchatka, covering

thousands of kilometres along roads winding through bleak hills and visiting scattered settlements on permafrost soil. After the journey our group wrote many features about Kolyma and Kamchatka and realized one could not run the economy efficiently, organize life there and draw up long-term plans in such vast and sparsely populated regions without a proper study of population migration there. And the roots of migration lay in economics and ethnography and were connected both with everyday life and the climate. We saw that the manpower shortage in the North, where major mineral resources lie was becoming a serious problem hampering economic growth. The annual losses from labour turnover amounted to tens of millions of roubles. For migration the Magadan region, sometimes called "the Soviet Klondike", firmly leads the country. The director of the **Experimentalny** goldfield told us that the labour turnover was up to 50 per cent.

Now suppose a person quits his job in Donetsk or Moscow and goes to the Far North where wages are higher. In Donetsk and Moscow he has to be replaced by somebody and a "job vacant" notice appears. But he does not settle in Kolyma and goes to warmer place, say, Central Asia, to seek his fortune there. A "job vacant" notice appears in Magadan, too. How many people are on the move at the same time, over the vast distances of the USSR! Everywhere there are jobs waiting for them. This wandering from one place to another costs society dearly. In the North for the first time I grasped the link between the manpower problem and such an approach to social and economic changes which puts people and their needs at the centre of attention. We must above all heed not what kind of specialist is needed, but what he needs. This applies to both workers and engineers.

K: Is it a good or bad thing that vacancies exist and there is a labour shortage?

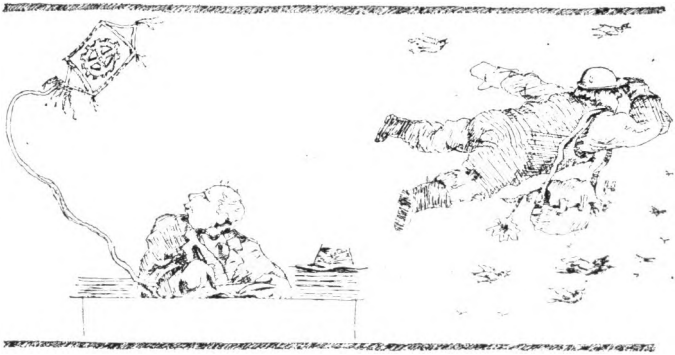
L: At one time it was thought a good thing.

K: But today? With the present state of the Soviet economy, is a manpower shortage good or bad?

L: I think it very bad—if there really is one.

K: To many people this is obvious. They point to machinery standing idle.

L: This is still controversial though. Not everyone thinks it a bad thing. **Alexander Radov,** for instance, provoked a heated debate in **Literaturnaya Gazeta** by defending a manpower shortage.



CHAPTER I

"If a Manpower Shortage Did Not Exist, It Would Have to Be Invented"

This paradoxical view was voiced in a mass-circulation newspaper in 1980 by sociologist Alexander Radov, Candidate of Science (Philosophy). Starting as a sociologist at an enterprise in Novosibirsk, he went on to join the staff of the All-Union Institute of Systems Research and now devotes all his time to journalism, often appearing on TV and contributing to newspapers and journals.

In an article headed "So Much the Better!" he wrote:

" 'For heaven's sake,' many people will say to me, 'don't you know how much trouble it causes? In some plants costly machine-tools are idle because of a shortage of workers,

staff turnover increases and discipline slackens, offenders act with impunity, there's no keeping them in check...'

"Familiar arguments. How many times I have heard the phrase 'We've got no people' used to explain and justify untimely fulfillment of assignments and the failure to fulfil the plan. I myself have seen how worried are managers short of staff.

"I had a long talk with Ivan Gaidukov, director of the Yaroslavl tyre plant, where 1,500 jobs are always vacant. 'How do you manage?' 'With difficulty,' he said. 'We have a lot of manual operations and that's why young people don't come here. The main processes are not mechanized so the manual jobs remain and stay vacant.'

"So the shortage is not the cause but the symptom of a sometimes latent, sometimes camouflaged and often neglected malady. For many years nobody bothered to consider the future of the plant, mainly because it always managed to fulfil the plan, even when it was strained to the limit. As a result, it overstrained itself, evidently long ago. But the

inflammatory processes had developed deep inside and eventually, because of its overall sickness, there was a sharp rise in the shortage of staff...

"Before arguing against those who see the root of all evil here I want to draw attention to another view—that there is no real shortage at all. At times there is even a surplus of labour.

"To find arguments I have consulted reference books and scientific publications. 'Every year enterprises are short of over a million people.' This is the figure for the Russian Federation. In the Yaroslavl region 23,000 workers are needed. All the specialists explain this by population problems: a decrease in the birth rate, the consequences of the war, the overall ageing of the population and the almost total employment of the able-bodied population. From the early sixties on the growth in employment has been diminishing from year to year and by 1986 it is expected to decrease by 80 per cent. The Soviet economy is, however, expanding energetically, creating ever new jobs. These two opposing trends could not go along together. Hence the shortage.

"Director Gaidukov told me: 'We have to manage somehow. Aware that we are violating labour laws, we widely resort to overtime.' I witnessed this. After doing their shift the workers would stay on for several more hours.

"I expected Gaidukov to complain about the notorious labour shortage, which is blamed for everything. But he regards it as a consequence, not a cause. 'We would have had no shortage if reconstruction of the plant, which dragged on for ten years and cost many million roubles, had been done wisely, he said. 'Actually, we spent a lot of money but failed to improve working conditions.'

"There is truth, but not the whole truth, in this argument. Others see the fictitious nature of the shortage in that there

is in fact a surplus of manpower because it is underutilized. They, too, cite figures. For instance, every third worker is doing unskilled manual work. There is a tremendous reserve of manpower here. And yet manual labour has been reduced by only six per cent in ten years. To this should be added that the manpower of one-sixth of all industrial workers is lost because of production stoppages. Account should also be taken of several million workers and roughly 3,000 million roubles annually lost because of staff turnover. The need to remove these and many other similar shortcomings is stressed in the resolution of the Central Committee of the Communist Party of the Soviet Union, the USSR Council of Ministers and the All-Union Central Council of Trade Unions 'On the Further Consolidation of Labour Discipline and Reduction of the Manpower Turnover in the National Economy'.

"In short, the figures are such that there would seem to be no justification for speaking of a manpower shortage. Yet one exists. A surplus of skills does not exclude a shortage. Generally there is a surplus and specifically there is a shortage. This is how they are interconnected. What are the 'specific' cases? These are specific regions and districts, enterprises, trades and professions. Do not let the word 'specific' obscure the essence of the problem: a shortage is felt everywhere. Even in the Central Asian republics which, it is widely believed, have a vast reserve of able-bodied workers. But the reserve is mainly in the countryside, whereas urban enterprises are sometimes desperately understaffed.

"But is a specific shortage easier to bear than an absolute one? If you are short of 200 machine-tool operators you cannot replace them even by 500 surplus engineers, or fill ten vacancies for porters with 30 surplus accountants."

Alexander Radov's further train of thought starts from the well-known fact that we value most what we lack.

"Avicenna put this idea better and much earlier than me: 'What a curious creature man is: he cherishes most what he hasn't got.' Let us recall: over a period of many years the USSR solved its industrial problems at a time when there was an acute shortage of metal or fuel, of transport or machine-tools, of investment and technology. A familiar practice grew up: direct all one's attention to the current shortage, and show concern for and be generous to those bodies and persons who can eliminate this shortage. Here a paradox arises: the latter often do not want to get rid completely of the shortage on which their wellbeing depends: if the shortage ends those associated with overcoming it may find themselves forgotten.

"So we lacked many things in the past, but this to a lesser extent concerned manpower. Recalling those days now we say: 'It was a time when the bench at the door of the personnel department was never empty.'

"In the work of managers trouble with the staff was, as a rule, less acute than the trouble of supplies, construction or technology. Evidently that is why, if managers did concern themselves with retaining skilled staff, caring for them and promoting them, they did so primarily from public-spirited considerations rather than from purely economic, production considerations. On signing a worker's application to leave his job the shop foreman might feel regret, but he was almost always certain the vacancy would be filled. Caught in the whirlwind of current matters the foreman would never ignore supply or economic questions but very often ignored staff questions. Engrossed with paperwork and technical matters, some managers had no time to bother with people. The point was that when there was a surplus of workers they were not treated as the most valuable asset of the economy.

"Of all the resources consumed by industry labour resour-

ces were those most accessible to enterprises. To this day managers bear no special responsibility for misusing manpower.

"Managers were for the first time confronted with the problem of a manpower shortage some ten or fifteen years ago. This compelled them to act. Some began to insure themselves, others to change the style of work with staff.

"Of course, the manpower shortage was by no means the only cause of an improvement in the atmosphere at enterprises. But these changes were in no small measure a response to the growing manpower shortage.

"Under the impact of the same shortage there began a more resolute eradication of manual labour. This happened first in places where the shortage was most acute: Chelyabinsk, Riga, Zaporozhye. In Latvia necessity compelled managers to forget about departmental boundaries and jointly to tackle the common problem of mechanizing manual labour. Planners began to think of labour-saving techniques, especially for the Far North and Siberia, where the cost of labour was particularly high."

Alexander Radov gave the following example. About fifteen years ago Ivan Titarenko, director of the Perm telephone plant, faced a problem: all his potential workers were being snatched up by bigger, more prestigious and richer neighbours. Titarenko could not counter them with anything in the economic respect, yet he "challenged" them by pursuing an active social and staff policy. He began to improve working conditions and set up an efficient social survey centre which worked out methods of social planning, of securing stable staffs, of organizing labour and introducing functional music to relieve the monotony of the work. Regular meetings in his office invariably began with staff questions. Titarenko convinced his subordinates that production problems could not be solved unless human problems were tackled.

The Perm telephone plant now has a special "stabilization-of-the-workforce service" which uses social and psychological methods to examine every new worker and determine the degree to which he or she is potentially a stable addition to the workforce, assesses their characters and accordingly gives recommendations to their superiors. It keeps an eye on how all new workers adapt and, if it finds a new worker has problems or has suffered an injustice, it notifies the management, at the highest level, if need be, and all problems are, as a rule, resolved. Thanks to this system the plant has for the past ten years been the most stable enterprise in the city, although the average wages at some of the neighbouring enterprises are higher. Alexander Radov continued:

"Views on running the economy are changing, and I regard this as the main beneficial result of the shortage of labour resources. This new outlook prompts officials to throw aside a great deal of what has become obsolete. The generation of managers which have experienced a manpower shortage no longer divide problems into economic and philanthropic ones but tackle them together.

"Under the influence of the manpower shortage a kind of competition among enterprises for creating the best conditions for workers has begun in many cities. A contributory factor has been the 'fastidiousness' of youth, who do not want to do the unskilled jobs vacated by pensioners in uncomfortable conditions. So, even if grudgingly at times, an enterprise has to 'please' the young. Otherwise they will go to another plant.

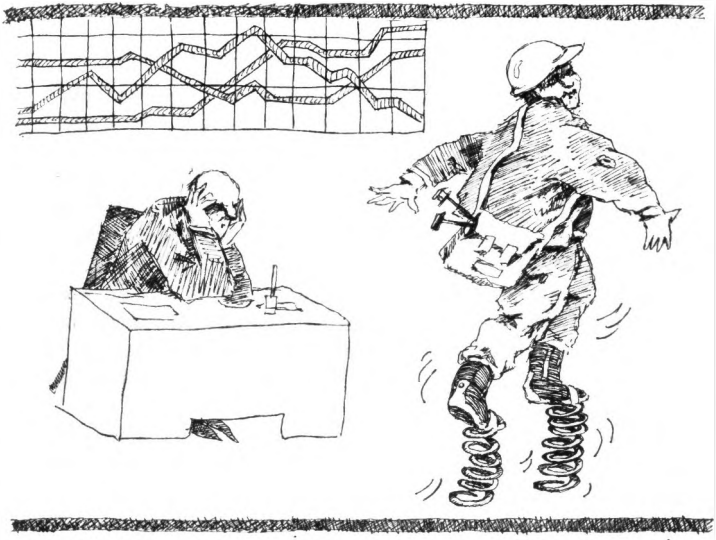
"The picture is entirely different where there are enough skilled workers or, more precisely, when they have nowhere to go. I witnessed such a situation at the Klimovsk toy factory six months ago. The workers there are mostly elderly women who during their many years of working at the factory have become tied to it by every kind of bond. To

leave the factory is a worrying business: you have to learn a new job, to change your way of life. The management knows this and until recently paid no attention to the demands of the workers. One kilometre away from the toy factory there is a big machine-tool plant short of labour. Everything there is more civilized and modern and so its growth rate is higher. A manpower shortage is, you might say, a feedback without which management cannot be efficient.

"It is because of the shortage of staff that managers have turned to us sociologists. The Soviet Union's first and still most efficient social survey laboratories were organized at enterprises where the cadres situation was in a bad way. Not long ago the Yaroslavl tyre plant did a big social survey to find the reasons for its staff 'crisis'. Having ascertained the reasons, it worked out the structure of a personnel service to co-ordinate the separate social and staff functions for the plant's management.

"I have no doubt staff shortage is a powerful stimulus to development. Where it arises an extra dynamism appears, technological progress is speeded up, more energetic steps are taken to eliminate manual labour and on the whole labour productivity rises. A striking instance of this is provided by the Far North, Siberia and the Soviet Far East.

"A staff shortage makes managers see many things which they did not notice before, appreciate what they had overlooked and shed the conservative view that a worker is a simple creature, does not need very much and is actuated only by self-interest. It is precisely this shortage that enables some managers to 'discover' that today the individual is the most valuable asset both in the economy and in life."



CHAPTER II

The Authors Go Through the Mail

L: What do you think of Radov's remarks?

K: They are too categorical.

L: And of his basic argument?

K: I inwardly protest. When I go to a shop and see it does not have what I want I am, understandably, not pleased. Any shortage must annoy a normal person. Why should staff be an exception? In general, I don't like this view of success based on hardship.

L: I wouldn't judge Radov's paradoxes one-sidedly. There is certainly a grain of truth in his remarks. Remember the proverb—"Necessity is the mother of invention". Enterprises really did begin to show more concern for workers when they grew short of them.

K: That's not really true. We made a film together about the Kosino knitwear factory near Moscow and its director Lidiya Kovarskaya. You remember what concern they showed for people there? The factory has a hothouse where flowers are grown to give to workers on holidays and birthdays and for family celebrations. What fine tea parties were arranged by Lidiya Kovarskaya, with samovars and home-made pies and cakes. All this was at a time when there was no question of a shortage of workers at the factory. The management treats the staff just as well today as then. Examples of the opposite could also be given without any direct link with a staff shortage.

L: You mean a clever person is always clever and a fool will die a fool. Aren't you oversimplifying? There are no such direct dependences in economics.

K: So you agree with Radov?

L: I am just trying to understand him. There can be no question of agreeing: I don't think shortages are the driving force of progress. I hope that it is merely polemic edge. It certainly provoked many passionate responses from readers.

K: But wasn't the main thing the very posing of the question? You remember how **Literaturnaya Gazeta** launched the discussion. On February 20, 1980, it published two photographs, one showing a crowd in a street and the other a man at a notice board with "jobs vacant" ads. Between the photographs was a clock showing the time to be five past eleven. A caption read: "11.05—the height of the working day but city streets are crowded and there are many 'jobs vacant' ads on notice boards." The very title of the discussion was eloquent: "Staff shortages: myth or reality? Good or bad? Stimulus or brake?" From the very outset the paper let readers and experts discuss the problem from different angles.

L: But you must agree that all the tricks of journalism won't help if the questions they put do not find a ready audience. When a real problem is worrying people you don't need to ask any questions: readers' letters will pour in. And it is a very topical problem we are dealing with. You remember **A. Novikova's** letter to the paper?

K: She was afraid of something?

L: Yes, she wrote: "I am afraid to go to work." Afraid of what? She lives in Minsk, the Byelorussian capital, where there are no wolves or gangsters in the streets. So what was she afraid of? Dismissal? Criticism by her superiors? Nothing of the sort. She is a manager herself: she heads the spinning department at the Minsk fine-cloths mill.

K: Better quote her letter in full:

"I have worked for many years in the spinning department of the Minsk fine-cloths mill. We have had successes and setbacks. On the whole everything is as it should be. But lately I have found myself afraid to go to work. Today is no exception. No sooner had I entered my office than the superintendent of the dye-house came running in: 'There's nothing to work on. Three workers did not come on the night shift. The machines were idle.' He named them. I know them very well. They had got under my skin a long time ago. It was high time to dismiss them. So I decided to get the trade union's agreement and not to keep them in the department a single day more. What need have we of them? Then despair gripped me: suppose we dismiss them, whom shall we appoint in their place? How shall we fulfil the plan?

"We are acutely short of labour. The old, tried and tested cadres have retired and the young people don't stay long: they look for easier and more interesting jobs. We also work three shifts and this too doesn't suit many people. The local authorities know we are short-staffed and send us people indiscriminately. And we take them on. We have no choice.

But loafers take advantage of the labour shortage saying that if we fire them the local authorities will offer them a job in a nearby enterprise and people like them will be sent on to us from there. Unfortunately, that is true. We're in a vicious circle and I don't know how to escape from it. But something must be done and soon. Our mill must not become a haven for birds of passage."

L: The letter sounds like a cry of desperation. Anna Novikova's department really needs help and urgently. But the overall picture is more varied and complex than it appears to her in Minsk.

K: Looking through the mail bag I noted the contribution from Odessa of **Roman Leiderman,** who does not believe the Soviet Union is short of manpower. I quote:

"For years now a great deal has been said in the press and on television about a manpower shortage, but precious little has changed. Despite intensive mechanization and automation, which have released an impressive number of workers in recent years, the shortage remains. I have seen notices inviting young people to construction sites and industrial enterprises even in some villages, which are thereby preparing a bleak future for themselves. Nevertheless, I'm convinced that on the whole there is no shortage, nor can there be. Regrettably, I have no data about the shortage of workers in particular trades, industries and zones. Nor do I have statistical data about enterprises which duplicate each other, with bad consequences for both. Nor do I have any information about enterprises turning out poor-quality equipment and goods for which there is no demand. But it is obvious to me that if we scrap enterprises operating at a loss we shall save just on the wages of unnecessary workers alone enough money to build a city with a population of a million."

L: Well, well. He admits he has no information yet he has "found" money for a whole city. He should be the Finance Minister or Chairman of the State Planning Committee!

K: Don't mock him. It's not the specific figures that matter and his approach is in itself not such a bad one: we spend a great deal of labour on producing poor goods—hence the labour shortage. One of Leiderman's ideas is a good hypothesis. Listen:

"All our reserves will remain reserves if the executives of higher organizations have no material interest in tapping latent resources. The size of benefits should be directly proportional to the number of workers released and to the sum of investments saved. Regrettably, the view prevails that the worker works for money and the executive follows the dictates of conscience. This made some sense when everything was done with a pick and shovel, but today the labour of staff has become lighter and that of managers much more complex. For this reason giving managers a material stimulus to good decisions and actions and depriving managers of part of their earnings for wrong decisions have acquired a special meaning. If the pay of managers is made to depend on the economic results of the operation of the workshop, plant or association, and so on, I am sure our managers will begin to get along with fewer workers. There cannot be a situation in which socialist society, possessing highly productive machinery and trained specialists, as well as raw and other materials and rich natural resources, is in need of the simplest and most necessary thing—labour power. This cannot be and so it should not be so."

L: The last phrase is particularly good: it cannot be so because it cannot be so!

K: Keep your irony to yourself. Leiderman thinks this should not be so, and in principle he is right. The way out he suggests indeed looks rather simple-minded. Should

managers' pay be increased or cut? Of course it should be made directly dependent on the results of the functioning of the enterprises they head. But this measure alone will hardly help us to be rid of the manpower shortage.

L: It is an acute question in the Soviet Union: wages do not always reflect the outlay of labour. Some receive less than they earn and others receive much more than they deserve, especially in institutions and offices where there is very poor control over the quantity of labour. This is not so often seen at industrial enterprises, but there too the wages are often poorly related to the results of the working of the shop or enterprise as a whole. Take the experience of the Shchekino chemical combine in the Tula region, which several years ago adopted the following principle: if in a section or a shop you manage with fewer workers, for instance, if there are now ten workers where there were fifteen before—you share among yourselves a portion of the wages saved. In the course of several years the enterprise released 1,000 workers, labour productivity rose sharply and the earnings increased.

K: Nevertheless, the experience of the Shchekino combine is not very popular today.

L: There are several reasons. The workforce decreased, but the plan assignments to the combine kept increasing. The result was what we call a "scissors" disproportion. Several hundred people were released, but not dismissed. Vacancies were not filled with new workers, but were distributed among the remaining ones. No new workers were hired to replace those who died, retired on a pension, were called up for military service, entered educational establishments or moved to other cities. This went on for 15 years. During that time virtually no new workers were hired. But the trouble was that the influx of fresh forces and of new ideas stopped. The work collective grew older in those fifteen years. What lay

within the power of young people, who easily accepted new loads, became beyond the strength of older people. Growth rates declined while the assignments, as I have said, continued to grow. The combine could not bear the load any longer.

K: So the Shchekino experiment reached a deadlock?

L: I don't think so. Simply one should not overrate one's strength and raise the level of state assignments to a point where the work collective could not reach it, and one should not completely stop the influx of young workers. If the necessary corrections are made the Shchekino method will still stand us in good stead. But we have digressed from our consideration of the mail.

K: Yes. Here is another interesting letter. It is from engineer **Victor Kolesnikov** of Volgodonsk near Rostov, where **Atommash,** the Soviet Union's biggest plant for the manufacture of equipment for atomic power stations, is being built. He is trying to find the "root" of all the problems in the Soviet economy today.

Listen to this:

"As I look at the widely-branching bush of problems I find it hard to believe that something that is so obvious—their common root—remains undiscovered. It seems incredible...

"Let us imagine a very small country where there are only two industrial enterprises, called A and B. To make our reasoning simpler, we shall forget for the time being that the state also has an agricultural industry. Let us assume there are only 100 workers in our imaginary state: 50 work at firm A and the same number at firm B. Then it was decided to build a third enterprise, C. And it was built. Let us again forget that manpower was needed to build it..."

L: If we keep forgetting everything we come across on

the way we risk arriving empty-handed at a wrong destination. What next?

K: Wait a minute. Here we are:

"The newly-built enterprise, firm C, also needs 50 workers and a production plan has been drawn up for it. So 100 workers are available, but 150 are needed. Demand exceeds the supply. What will happen in our imaginary mini-state? In order to start work the director of firm C has, frankly speaking, to entice workers from A and B, offering them better flats and higher wages. That is what is usually done. What next? Because workers leave, the first two plants begin to experience a labour shortage. Their directors are, in turn, forced to resort to increasing earnings. Moreover, they begin to pay more irrespective of the growth of the intensity and productivity of labour, and even when its intensity is decreasing. This upsets the balance between the measure of labour and the measure of consumption. The directors simply don't see any other way out and let themselves in for overexpenditure of the wage fund. A race ensues, with workers going to the enterprise where there is less work and higher wages. The directors are afraid of punishing them for violations of labour discipline, lest they take offence and go where no punishments are meted out. For this reason the degree of discipline at all three firms falls and absenteeism ensues. Are the directors of firms A and B to blame for this? It is perfectly obvious that the blame lies with those who planned the construction of firm C. Thus, the earnings of workers grow while those of engineers and technicians do not change. There comes a point when the workers begin to earn more than the engineers, then even more than senior or head engineers. Finally, more than the directors of these ill-starred enterprises. Some engineers take up workers' jobs, others seek solace in scientific institutes. Women come to take their place. The domination of women begins. Look

at the composition of engineering departments, medical staff or teaching bodies. One might think that a matriarchate is in the offing. The next development: secondary school-leavers do not wish to enter institutes, believing that the less you learn the more you earn. The intellectual potential of the imaginary mini-state declines..."

L: The logic is clear. What is the reader's conclusion?

K: He suggests giving up the building of new enterprises not provided with labour and, especially, if they lack "ultra-modern technology giving a real increase in labour productivity by at least 100 if not 500 per cent". His other proposals are materially to stimulate executives primarily to use labour power rationally, to work out a programme for the more sensible utilization of labour resources, to carry out the radical modernization of existing plants and in large cities not to increase the number of jobs at all but to take a course only of intensification.

L: So he began with a fantasy, predicted the "intellectual impoverishment" of the "mini-state with three plants" and ended up with the widely known decisions of the Soviet government. It is precisely along the road of the intensification of production, its technical retooling and raising its efficiency that the Soviet economy has been advancing for the past two five-year plan periods.

Doesn't he seem to you to be a typical inventor of the bicycle?

K: It is not such a bad thing when a fellow independently arrives at the conclusion society as a whole has reached. Incidentally, Kolesnikov guesses that he is not the only one to look at the "root" of the matter. His surprise at the general ignorance is merely a polemical ploy. At the end of his letter he himself admits: "Can it be that such hackneyed truths are not known to the higher managerial organs ot our economy, such as the state committees for planning,

construction, labour and social questions? But they do know! And they take decisions! But state organs are staffed with human beings, not gods, and it is human to err. We have committed mistakes before. So let us, esteemed editors, offer them the help of the public. It may be superfluous, but it will help prevent what happened in our imaginary state."

L: Still I don't like his scheme, even if he puts forward sound and, on the whole, widely-known proposals. The very premise is incorrect.

K: Why?

L: One should not carry an abstraction to absurdity. "The mini-state with three enterprises" is too primitive a model. With it you cannot correctly judge the real processes taking place in the economy. Kolesnikov suggests forgetting so much "for a minute" that what remains loses any sense. How can one rule out the necessity of establishing fundamentally new production lines dictated by technological progress? Take that very same plant, **Atommash,** in his own Volgodonsk. If we stop building it who will make the equipment for atomic power stations? How is it possible to exclude the problems of agriculture, on which the successes of industry depend? How can one fail to take into account the need to develop transport in the view of the vast distances in the USSR, or the need to strengthen the defence capacity of the state? As for the more or less correct proposals of this engineer, they do not at all follow logically from his premise.

K: Then let us turn to the letters of those who simply to the extent of the experience, knowledge and information available to them try to assess the problem. Let us compare some of the letters published in **Literaturnaya Gazeta** and draw some conclusions.

L: I suggest we should tell our readers some of the views expressed in that newspaper and draw conclusions later.

K: I have no objection. Let us start with the letter of an economist **V. Velman**, of Donetsk:

"Alexander Radov is right when he says that difficulties in providing enterprises and construction projects with manpower induce some executives to concern themselves with the mechanization of labour-consuming and arduous production processes and to improve the organization of labour and working conditions. But I cannot share his enthusiasm when he exclaims: 'I have no doubt staff shortage is a powerful stimulus to development.'

"Let us examine the causes of this shortage. The first is a high level of staff turnover.

"The second is the interval between young people leaving secondary general education schools and their inclusion in social production. Sometimes this interval lasts several years.

"The third is the unfounded establishment and growth of several organizations in the public service sphere. Specifically this is seen in the organization of parallel departmental bodies managing supply and marketing enterprises.

"Moreover, some organizations have swollen staffs. Alexander Radov writes that the national economy of the Russian Federation is short of more than one million people. If we suppose that the shortage of manpower in the other fourteen Union Republics amounts to about one million people (I personally consider it to be even smaller), then it does not exceed two million in the country as a whole.

"This means that the shortage of manpower can be almost fully met from the sources I have listed.

"Also a real reserve is reducing the loss of working time at enterprises.

"Still there is a certain shortage of manpower and it is likely to remain for some time. It is seen, above all, in the shortage of manpower in particular parts of the country and

especially in the Eastern parts, at new enterprises and in particular professions and trades, especially new ones."

I. Shamshin, head engineer of the Moscow city wire-radio network, wrote:

"There is a real shortage and an imaginary one. The latter is simply a cover for blunders and shortcomings which, regrettably, still occur in our national economy. Where this cover is not used and staffing questions are considered as top priority ones the staff shortage is overcome quite successfully by introducing new machines, advanced production techniques and the scientific organization of labour and management. A special role belongs, naturally, to automation."

A. Akimov, mining engineer of Gorlovka, wrote:

"Evidently the sociologist has achieved his purpose of drawing readers' attention to the discussion on the shortage of manpower. He threw in a paradox which must have induced many people to take up their pens.

"All my working life has been connected with the coal mining industry, or, to be more precise, with one coal mine in the Ukraine. The phrase 'We are short of workers' is heard there too. The mine is not fulfilling its plan. Any of the section chiefs will refer to the poor work of underground transport and the shortcomings in material and technical supplies. The latter, too, originate, for the most part in shortcomings in the operation of transport. Without going into details I may say that the shortage of workers is most keenly felt in trades connected with the repair and proper maintenance of the coal workings, railway tracks and wagons and locomotives. Propping engages more workers than other occupations and at the same time is most severely afflicted with a shortage of workers. I consider that the planned number of auxiliary workers (probably not only in the coal indus-

try) is groundlessly understated and so even when there is a full complement of staff there is a shortage of workers. In the repair work an 'emergency style' is more and more pronounced when people are rushed from one hot spot to another, filling in holes."

I. Bogachenko, of Rostov-on-Don, wrote:

"A sociologist by profession, I worked for some time as an inspector of a personnel department. I fully agree with Alexander Radov that disregard for the mechanization of manual labour makes manpower turnover a chronic ailment. Not infrequently economic executives regard turnover as the main cause of the failure to fulfil the production programme. They take a consequence as a cause. Incidentally, executives often underestimate social problems, including staffing questions, because of their incompetence. They are much better versed in technology and economics. It has become fashionable to speak of improving the psychological climate in the work collective. But how can it be improved when some executives heading large collectives do not even know what all this is about?"

K. Karamelev, of Sverdlovsk, wrote:

"A shortage of manpower does not in any way help the growth of labour productivity. On the contrary, it disorganizes labour discipline. Alexander Radov is utterly wrong.

"The main lever in enhancing discipline and organization in the process of labour is the selection and training of managerial personnel and making them accountable for the work entrusted to them.

"Far from every engineer can head an enterprise. As experience shows, one or two in a hundred engineers possess qualities of leadership—the ability to give leadership to the work collective, to organize their productive labour, to take

every task to its final conclusion—in short, meet the modern demands made upon executives.

"Today the selection of economic executives and, most important, the calling of them to account for mismanagement are not up to the mark, I think. An incapable person must not be kept in a leading post. This costs the state too much."

A. Sidorenko, head of the personnel department at a plant in Voroshilovgrad, wrote:

"Some are vainly trying to prove that there is no shortage of manpower in the USSR. There is and it perceptibly affects the performance of every enterprise. I would like to see those, who together with sociologist Radov believe a shortage of manpower is a powerful stimulus to development, take the place of a director who can only report 75-80 per cent of state plan fulfillment and who has only two days left till the end of the month. (And he has done everything to get the plan fulfilled.) Or the head of the personnel department who is constantly pressed for additional workers. But where can he go? Only to the employment agency. In the past three years our plant has received only 35 people from there..."

V. Krasovitsky, head of the employment agency in Yalta, wrote:

"Evidently one has to agree with the view of specialists that during the 10th five-year plan period a certain shortage of manpower has begun to be felt in the country and that in the 11th five-year plan period it will be considerable. But what are we to understand by shortage? If we count up the labour resources, including housewives who are not now working, pensioners who have not been involved in labour, and spongers (yes, yes, there are quite a few of them), then

in absolute figures the shortage will be hardly perceptible. It's another matter if we speak of a manpower shortage in remote regions and the areas of construction projects. There it is certainly more noticeable. Where lies the way out? To my mind, Alexander Radov is right when he writes that the shortage will compel (and is already compelling) heads of enterprises and organizations to show greater concern for the workers' working and living conditions. This will help reduce the turnover of cadres and secure their stability, that is, it will lessen the 'immediate shortage'. Are we really so powerless in the face of a shortage of manpower? By no means. It's high time to use the available labour resources properly.

"If at the level of the whole country, a particular republic or even a large city, we add together staff turnover, daily and in-shift idle time, the wide-scale practice of taking leave for one, two or three days 'with the permission of the administration', the losses of working time in various organizations due to a badly drawn-up work schedule, and so on, it will turn out that all these 'unproductive losses' claim from 20 to 40 per cent of precious working time. If it were possible to halve these losses the question of a shortage would be removed from the agenda. This is the best way, for it does not require any special capital or other expenditure. It demands only one thing—a sense of great personal responsibility for every hour and minute of working time on the part of all workers and employees.

"Let us recall the words of the great Russian military leader Suvorov: one should wage war, not with numbers, but with skill. I think this is quite applicable to production."

I. Vishnevetsky, Doctor of Economics, of Kiev, wrote:

"One of the participants in the discussion declared that the production plan should be fulfilled not only by numbers,

but above all by skill. One can hardly agree with this way of posing the question. Suvorov's art of victory transferred to the production sphere is applicable perhaps only to the manufactory period in the development of industry. Machine technology requires a definite number of workers—neither more, nor less. Skill is, of course, a very important factor. But without the required number of workers production is altogether impossible. If only one workplace on an assembly line is empty the line stops even when all the other workplaces are occupied exclusively by highly skilled people."

A. Solipatrov, fitter of Leningrad, wrote:

"I think Alexander Radov is right: a shortage of manpower is a boon, because it is like the alarm lamp on the control desk of the national economy and in this sense it serves its purpose. And at the same time sociologist Radov is wrong: a shortage is an evil, because it is a signal warning of definite troubles."

V. Masyutin, architect of Moscow, wrote:

"I would like to stress that the main cause giving rise to a manpower shortage is a definite lag of the growth rates of labour productivity behind the growth rates of the national economy.

"Sociologist Radov is talking nonsense, because a manpower shortage is not a boon and a stimulus, but a brake on the further development of the country. Today it already results in poor quality products, in the loss of professional skills and sometimes even of workers' honour, in irresponsibility, in fulfilling assignments, and in parasitism."

Y. Yemelyanov, engineer of Belgorod, wrote:

"A shortage of manpower? For goodness' sake! We have plenty of unnecessary jobs everywhere. I, for instance, pro-

pose abolishing jobs like mine. I have been working for three years in the technical department, where I am responsible for new technology and technical improvement suggestions. Examining my official functions and analyzing their impact on production I have come to the conclusion that my job is superfluous.

"All command links mechanically copy one another. If there is a technical department in a higher organization, why should our administration also have a technical department? What it really needs is a head technologist. Generally, I think the department should have head specialists and not functional departments.

"Perhaps this letter will serve as a call to frankness and many people will come forward to suggest scrapping their own jobs as unnecessary?

"My letter is likely to evoke objections. To make it easier for my opponents to object, a few words about myself. I have considerable production experience. Fourteen articles I have written have been published in scientific and technical journals and in collections of articles. Sixteen information leaflets based on my work have been printed. During the three years of my work in the technical department I have been awarded several citations, a diploma and bonuses. So let them object on the substance of the matter and not seek shortcomings in the individual."

P. Tolstaya, of Kiev, wrote:

"It surprises me how Yuri Yemelyanov, who has considerable production experience, could say so categorically: 'My job is superfluous!'

"I, for instance, regard his post as necessary and interesting, if, of course, it is filled by the right person.

"Since 1959 I have dealt with technical creative work and I am worried by the fact that the engineers working in our

head office who are in charge of new technology and technical improvement suggestions keep their enterprises poorly informed about the introduction of novelties.

"It happens sometimes that a novelty is introduced effectively at one enterprise but other enterprises know nothing about it. Why? Because the post of engineer for new technology and technical improvement suggestions is occupied by an indifferent person who is doing his job badly.

"If I were offered such a post, I would earn not only my salary but also those of five such engineers in a single year."

V. Savich, Candidate of Law, Assistant Professor, of Tomsk, wrote:

"The losses of working time in industry are very great. On the other hand, at some enterprises work quotas are systematically overfulfilled without any special strain and with considerable in-shift losses of working time. Is this normal?

"The use of these reserves alone would provide a vast amount of additional manpower. The whole point is how to mobilize these reserves.

"So far the situation is such that enterprises are compelled to have hidden reserves in order to make up for shortcomings of planning and material and technical supply, the diversion of personnel for farm work and to construction projects, and so on. Unless enterprises are made economically interested in saving labour all other measures will not bring about a complete solution of the problem."

A. Zuikov, head of the job placement and information of the population department of the Kazakh SSR State Committee for Labour, Alma Ata, wrote:

"It has so happened historically that despite the diversity of forms of providing production with personnel (state-organized recruitment, the assignment of graduates of higher and specialized secondary schools to particular jobs, and so on), a large part of factory and office workers are recruited directly by enterprises. As a result, no matter what the state of labour resources in each city and district is, some enterprises are well provided with manpower while others have a chronic shortage. Moreover, not infrequently highly important plants and near-complete projects are understaffed, while enterprises whose importance for the national economy is not so great are well provided for.

"Hence the need for centralizing the provision of labour power to enterprises and organizations with the help, let us say, of employment agencies.

"Experience in staffing enterprises in this way has been gained in some cities of the Russian Federation, Kazakhstan, Kirghizia, Moldavia, Uzbekistan and the Ukraine. What needs to be done now is officially to recognize and disseminate this experience."

A. Tarasov, lawyer in the village of Bogorodskoye, Khabarovsk Territory, wrote:

"I agree with Alexander Radov on many points. In brief, the main thing is the inability of some economic executives to work with people. This is undoubtedly a problem of nationwide importance which stems from certain tendencies in the history of the emergence and development of the socialist economy. At times there was a lack of ability and understanding of the importance of all this. Like Radov, I assume that the aggravation of the manpower shortage will help us cope more quickly with such a problem as improvement of social conditions for workers.

"Alongside administrative, economic and social measures

the legal mechanism should be put into operation. It is necessary to make it a right and duty of local trade union committees to examine preliminarily every case of people leaving jobs at their own request in order to find out the causes. This will lead to a decrease in the number of dismissals on grounds of incompatibility. Many people quit because of poor working conditions. I hope that in a time of a manpower shortage executives will feel greater responsibility for dealing with people. In this, like Radov, I see the positive aspect of the personnel shortage. But it is a negative phenomenon for the economy as a whole."

V. Vigant, industrial engineer in Zaporozhye, wrote: "From my point of view, the shortage is a terrible evil which has to be combatted. However, it has arisen not because we are short of people but because human resources are wrongly distributed. I think that research institutes have inordinately large staffs and that too many people are removed from the sphere of production for all sorts of social purposes. Unfortunately, there also are plain loafers. The enrolment at institutes is too large. Young people go there indiscriminately—if only to get into an institute of higher education."

K: Is it not high time to express a more definite opinion about the controversy Radov started? Some readers support the strange—to put it mildly—position of the sociologist. Is it worthwhile seeking some advantages in a manpower shortage? They are not to be found.

L: Just as there are no advantages in unemployment, which many people in the West are suffering from. Fortunately, there is no unemployment in our country. So that if we are to make comparisons to find out what is better...

K: Why should any such comparisons be made at all?

L: They arise naturally: a shortage of workers and an

absence of vacancies are antipodal. One involuntarily starts thinking which is better.

K: As I see it, both are bad. But such comparisons are appropriate when we compare different social and economic systems. Many studies of this subject are being published both in the Soviet Union and in the West. But our aim is to inform the reader about the current discussions on labour resources in the USSR. Should we go beyond the scope of the controversy?

L: As a matter of fact, I have no such intention. Simply our readers' attitude should not be forgotten. In countries where the search for work is an acute social problem people may be surprised at the fervour with which the manpower shortage is discussed in the USSR.

K: But contrasts arouse interest—readers like them. Let us go back to the mail bag. In addition to the letters published in **Literaturnaya Gazeta** quite a few of them must have remained unpublished.

L: Yes, we had to enlist the aid of extra staff to sort out and analyze them. Some of the letters were studied by the Sociological Research Institute of the USSR Academy of Sciences. Our paper published their review of the mail. First of all, an attempt was made to answer the question whether a manpower shortage really exists in the USSR.

K: On the basis of readers' letters?

L: Yes, I am speaking about letters which reflect broad public opinion.

K: But there are also the views of researchers and specialists.

L: Yes, among specialists too there is equally heated debate. But we shall speak about their position later on. Here we have a bag of letters. Their authors are quite excited and not without a sense of humour. For example, one reader writes: "So bronchitis can be cured with a cough, the heart

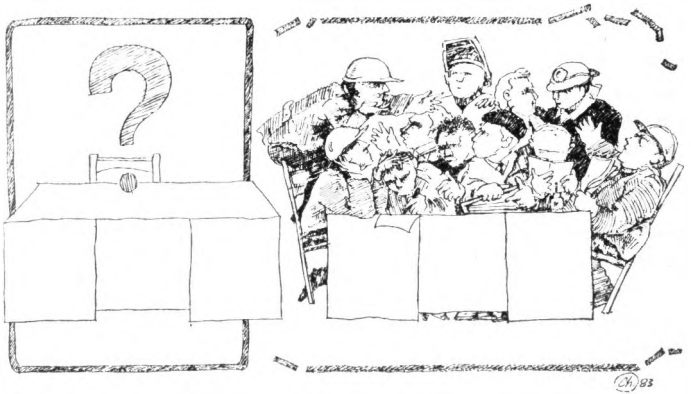
disease with infarction and any malady with its consequences and symptoms. Economic troubles at a specific enterprise are cured by a labour shortage. This is Alexander Radov's discovery. Long live shortages, powerful stimulus to development!" Readers are ironic about views they disagree with. They are almost unanimous that the acuteness of staffing problems in the national economy is no cause for rejoicing. On the contrary, many express concern about it.

K: I venture to say there is really no shortage of manpower in our country.

L: Do you really think so? The authors of many letters would disagree with you.

K: There is no shortage. There are vacancies. And this is by no means the same thing. There are enough labour resources. According to specialists our machine-building plants have 50 per cent more employees than similar enterprises abroad.

L: That's just what readers say, namely, that the surplus of cadres, far from eliminating a shortage, creates it. The authors of the letters can be divided into three groups. Some consider that a manpower shortage in the USSR is everywhere so obvious that to try and prove its absence is pushing at an open door. The second group, advocates of a compromise approach, insist that several regions and sectors of the national economy have a shortage of staff while others have a surplus. Typical of this group is the letter of **I. Elyashova**, of Leningrad: "I am sure that in some professions and trades there is a shortage, which is snowballing, and in others it is only imaginary." Representatives of the third group contend, like you, that there is no shortage at all. In their opinion it is a myth which, like any myth, has some real features: the unsatisfied demand for labour power is a reality and the failure to spend the whole of the wages fund is also a reality.



K: I agree with them that it is a myth. Myths always appear as a consequence of uncertainty, of several unstable, unsteady phenomena. It so happens that sometimes at an enterprise there are not enough workers to fulfil the plan while at the same time there are long periods of idleness. There is not a full complement of engineers, while the available ones are often engaged in non-engineering work, which is not obligatory and unhabitual to them.

L: The availability of labour power in the country is usually defined as the difference between the planned and the actual number of workers. In a number of Union Republics this indicator is negative. For example, in the Russian Federation the planned number of wage and salary workers exceeds the actual number by 1,500,000. If vacancies are counted, it turns out that there are about two million vacant jobs in the national economy.

K: That is not so very much. Two million vacancies is approximately two per cent of all the jobs. This is quite normal.

Production develops and changes the structure of its professions and skills. Some professions and trades disappear while new ones appear. Some jobs are temporarily vacant in connection with the retraining, redistribution and turnover of personnel. Similar processes are a feature of all industrial countries. A definite number of vacancies is quite explicable and admissible. If we take into account the above-plan number of employees at many Soviet enterprises and those who are standing idle for various reasons, and admit that many managers, especially at enterprises under construction, plan for greater staffs than are really needed, there will be no question of a shortage. No matter whom they have on the planned list, ask them whether they really need so many people! The plan provides for 1,000 workers, but the actual number is 800, and so the cry goes up that there is a shortage of 200 workers.

L: You see one cause of the manpower shortage, but readers point to different ones. In this sense the mail is quite precise. Many authors are well acquainted with production and poke their nose into every corner of it. **D. Savransky,** of Tiraspol, associates the manpower shortage with the turnover of labour and lists its causes—"differences in the remuneration of the labour of specialists of similar qualifications but working in different sectors of the national economy; the poor organization of labour at many enterprises; the insufficiently good relations between people in some work collectives". Very many readers draw attention to managerial mistakes, artificially inflated staffs, and so on. Among them are **V. Fortunenko,** of Moscow, **A. Sheetov,** of Khabarovsk, **V. Pyatakov,** of Cherepovets, and **I. Shmelyov,** of Penza. As you can see, there are similar problems in different regions —both in the European part of the USSR and in Siberia.

Staffs can be so inflated that the country's entire population will not suffice. A redundancy of cadres is a heavy burden

for the economy. Enterprises where work is slack attract manpower from places where one really has to work hard. One must put an end to the unreasonable accumulation of labour resources where they are not needed and dispatch the surplus to vacant workplaces.

L: But neither managers nor workers let themselves in for this very gladly. This, I think, is the essence of the problem. When a shop is full of unfashionable shoes for which there is no demand, does anyone complain of a shortage of buyers? They say the shoes are no good. We look for a suitable article and find it in another shop. Doesn't something like this take place with the choice of workplaces?

K: In other words, you think people are too exacting in their choice of work?

L: I am trying to reason. Evidently our enterprises are interested not just in increasing the number of employees, but first and foremost in highly paid, prestigious wage rates and posts. Why do we have more engineers than persons with medium-level technical qualifications? Why is the number of workers with higher job ratings much greater than that of low-skilled workers, although this obviously contradicts the requirements of technology? This is profitable to enterprises. The wage fund increases. A high wage scale makes it easier to find a worker, to attract him. It is no mere chance that when changing their place of residence people on the whole gain appreciably in wages and working conditions. Manpower turnover just cannot fail to arise in such conditions. And where there is turnover a shortage arises: while a person is looking for a new job somewhere a vacancy is open. As they say, fish looks for deeper water and man looks for a better life. In the final count everyone finds what he looks for, but as a result less attractive jobs become vacant. There is a great demand for some jobs, but few people apply for others.

K: I beg your pardon, but this flow of workers from one vessel into another bears no relation to a shortage of manpower. What does a manpower shortage have to do with this? All this is the product of the insatiable appetite of enterprises for extra workplaces. "More people and greater floor space" is the motto of some managers. They stubbornly conceal reserves of labour power and persistently press for staff increases. At times this makes one laugh. Even enterprises which have more employees than the plan requires ask for labour resources. What makes them complain of a manpower shortage and at the same time accumulate excessive manpower little by little?

L: There are many causes. The greater the labour reserves of an enterprise the easier it is for it to fulfil the plan. In this case the wages funds and the economic stimulation funds look more solid. The city authorities often "borrow" people from enterprises, asking them to help in public works or on suburban farms. The more people there are on staff, the easier it is to grant such requests. The more people there are, the greater are the centralized allocations for the construction of housing for employees, and the easier it is to improve community facilities on the premises of the enterprise, to lay out public gardens, to asphalt alleys and footpaths. When there are many people it is easier to compensate for the temporary absence of employees because of illness or holidays, to provide concessions to women, young workers and those who are studying without discontinuing work. It becomes possible to organize social activities in working hours. Labour reserves are also created to meet the eventuality of irregular functioning of the enterprise, when because of delayed deliveries it has to perform the bulk of the monthly programme at the end of the month. Finally, on the size of the staff depends the category of the enterprise and hence the salaries of the administrative, engineer-

ing and technical staff. In short, there is an obvious contradiction here: anti-stimuli instead of stimuli, a clash between the interests of the enterprise and those of the state, instead of their interests being in harmony. This happens first of all because the wage funds of enterprises are planned according not only to the volume of production and sales, but also to the number of employees.

K: It turns out that a manpower shortage is nothing but a tactical ruse of economic managers through which the director of a plant obtains freedom of manoeuvre. And it is the easiest thing to blame mismanagement on a mythical manpower shortage. I would say that a shortage is an ideal device for concealing unproductive reserves of labour.

L: Perhaps the harm of the notion of the "usefulness of shortages" lies in the fact that it eclipses the real problem of better utilization of labour resources. It diverts attention to secondary and imaginary questions, to the consequences and not the causes of the so-called labour shortage. But the majority of the readers of **Literaturnaya Gazeta** want to get to the root of the matter.

K: Where, in your opinion, do the authors of the letters see the root of the problem to lie?

L: As I have already said, in improving the mechanism of stimulating production. Here for instance, is the line of reasoning of **I. Lykov**, of Sukhumi, the capital of Abkhazia:

"What are we being paid for? Figuratively speaking, for the branch of industry in which we work (there are different wages in different industries); for the location of the enterprise (here, too, there is a difference in pay); for our qualifications or job rating; for the post; for our education; for our working conditions; for the category of the enterprise, and so on. But are we always paid for the actual work we do? Improvement of the system of pay, strict adherence to

the principle of 'to each according to his work' are the key to solving many problems of the socialist economy, including the problem of a manpower shortage."

This is not the opinion of Lykov alone. **Literaturnaya Gazeta** printed a dozen such letters, accompanying them with the comment: "It is easy to see that the opinions of these readers fully confirm the correctness of the decision of the 26th Congress of the Communist Party of the Soviet Union that the planning and stimulation of labour and the management of the national economy should proceed from the end results of production."

K: It seems to me that everything depends on the scale. If we take society as a whole, the interconnection between labour and the result of labour is obvious. The more and better we work, the more we have dwellings, hospitals, schools, all kinds of goods and so on. Depending on the growth of the effectiveness and productivity of social labour the state constantly increases wages, improves working conditions and develops the production of consumer goods. I worked on many TV broadcasts and films for television in which this growth of well-being was shown, I hope, strikingly enough. We photographed the modern flats of workers in Moscow, children's nurseries, parks... We wanted to show the life of ordinary people in a city saturated with a technological civilization, where time is compressed and the tempo of life is unbelievably high, to show how such age-old human feelings as love, motherhood and friendship manifest themselves in such conditions, what makes people happy or not. We came across facts of urban life which made it evident that the better we work, the better off we are.

L: But the state of things at the level of an enterprise or association of enterprises is much more complex. Building engineer **V. Plotnikov**, of Omsk, asks: "How and why has

the situation arisen when in many cases the connection between labour and the results of labour is lost?"

K: In many cases? Isn't V. Plotnikov exaggerating?

L: Most likely he is right. By way of confirmation I shall cite the view of **Yevgeni Kapustin,** Corresponding Member of the USSR Academy of Sciences and director of the Institute of Economics:

"Not infrequently the connection between the greater part of the wages of both the workers and the engineering and technical staff and the main results of the operation of a cost-accounting enterprise is absent." The statement of this fact is of fundamental importance for grasping the nature of the personnel shortage, even if an imaginary one. I was quoting from Kapustin's book **The Mechanism of Economic Stimulation Under Socialism.**

K: Wait a moment. If I understand you correctly, you are trying to build a kind of chain: disruption of the connection between wages and the results of labour leads to the decline of the interest of a worker in the results of the operation of the enterprise as a whole, this leads to a growth of labour productivity which is slower than the desirable and necessary one, to staff turnover, a decline in discipline and a sense of responsibility, to numerous vacancies, the accumulation of labour resources, even superfluous resources, where the work is more prestigious and better paid, and so to negative economic consequences of this accumulation, again leading to a decrease in the effectiveness of production, and so on. Right? So the flywheel of anti-stimuli is turning at ever greater speed.

L: Well, I wouldn't paint it in such dark colours, although there is some truth in what you say. Control bodies are multiplying and a network of local and republican committees for labour has been already created. What do they aim to

do? Almost half their working time is spent on redistributing and appointing personnel. Fulfilment of the plan for the organized recruitment of labour power is the principal indicator of their activities. In order to fulfil this plan several regions send their workers to other parts of the country and immediately put in counter-demands for labour power. Wouldn't it be better to concentrate on seeking internal labour reserves?

K: It looks as if from different positions we have arrived at one and the same conclusion: conditions have to be created in which enterprises will not overstate their need for labour power and will be interested in making better use of it.

L: Most vacancies can be reduced and economic executives will agree to it if the existing practice of planning and stimulation changes in favour of extending the rights of work collectives. This is bound to happen. All congresses of the CPSU since 1965, including the 26th Congress, have invariably reaffirmed the line of increasing the independence of enterprises and associations. The same aim is pursued by highly important decisions of the Soviet government on the main problems of the national economy. Whether it is a question of the economic mechanism or the consolidation of labour discipline, the improvement of planning and reduction of staff turnover, it is invariably stressed that enterprises and work collectives should be given wider powers. Our principal concern today—and this is sought equally by workers, economic executives and the government—is to create a system of planning and stimulation which will make everybody more interested in the end results of his labour. Its purpose is to make what is profitable to the man at the lathe also profitable to the work collective and to the whole of society.

K: What is most profitable is this: to produce more with

fewer workers, turn out good commodities and have good earnings.

L: Exactly. The correctness of this course is confirmed by our own experience. Take the system of the Shchekino chemical combine which we have already mentioned. Equally successful were similar experiments by Moscow's motor transport workers and by enterprises of the instrument-making industry. Very popular with our building workers has become what is called the team contract system: a team of builders undertakes to build a house or a production installation for a definite sum which will be paid for the end result. This sum is shared among the members of the team. So they have an interest in doing the job with fewer workers.

K: This method is beginning to be introduced in industry. When making a TV film at the Kaluga turbine plant I saw that everything there was organized on this principle in combination with workers' self-government, which is highly effective. Delegations from industrial enterprises are coming to Kaluga from all parts of the country, so one can hope for a wide dissemination of this experience.

L: It has many followers already. I have seen a similar system at the Smolensk aircraft plant, the Penza bicycle works, and an instrument-making plant in Kurgan. In the Caucasus, in the city of Ordzhonikidze, in Moscow and Leningrad—you come across this system everywhere now. And nowhere are workers sacked; instead the number of vacancies is reduced and the planned number of personnel diminishes. Instead of the planned 380 people, 325 people are working in one of the shops of the Odessa cable factory. The management of the enterprise had analyzed the situation and reached the conclusion that the shop could have the same volume of production with 300 workers—but on the condition that the shop and its teams themselves disposed

of the available funds and had the right to reward good workers and punish negligent ones. They decided to study the experience of the Moscow electric bulb plant and borrow whatever they decided would be useful to them.

K: I have been to that plant—quite a long time ago, it is true. I don't remember seeing anything special. Things didn't seem to be going well at the plant. The work there was difficult. The staff, who were mostly young women, had to spend seven hours over microscopes.

L: Things are different now. There have been many changes for the better. The wages fund is now differently planned, and as a result the expenses per rouble's worth of output have been halved.

K: Halved? And has there been the same decrease in the number of workers with the same volume of production?

L: Yes, and there is nothing surprising in this. Have we not come to the conclusion that a staff shortage is in some way or other connected with a faulty system of the remuneration of labour? The number of staff at the Moscow electric bulb plant has not decreased; on the contrary, it has grown somewhat. But output has grown to a much greater extent—and not only due to more rational technology, mechanization and automation. How was the wages fund for the plant planned in the past? Just as at other enterprises: the greater the number of staff, the greater the fund. Today the picture is entirely different. Perhaps they have gone even farther than the Shchekino chemical workers. The Moscow electric bulb plant includes a number of enterprises and each has a stable standard of deductions to the wages fund for five-year periods. Let us say, 11 kopecks per rouble of finished product. The greater the output each collective turns out, the greater its wages fund. The fewer people the higher the earnings. It has become profitable to operate with a minimum number of workers. **N. Parshin,** production chief of one

of the Moscow electric bulb plant enterprises told me: "I can easily prove that I need an additional 20-25 people. Formerly I would always prove this, and I was believed. Today with the approriate wages fund I easily manage without these people."

K: Now there is a "manpower shortage" for you! It turns out that what is needed is earnings and not labour power?

L: No, not merely earnings—people earn handsomely even without this system. At enterprises where there is bad organization, where overtime is practised, workers do not complain of earnings and yet they quit, dissatisfied with the poor organization of labour and most often with the fact they do not see a direct connection between their work and the overall results of the work of the collective. It makes no difference whether you work well or badly—your earnings change but little. But there is also a feedback: the pay is the same no matter whether your enterprise as a whole operates well or not well enough. Everybody is sick and tired of this wage levelling and it should be eliminated as soon as possible. New principles of planning and management are used on an ever greater scale. The Moscow electric bulb plant is one of many examples of this. This is not a matter of how much a worker is to be paid, but of how to establish a direct connection between the interests of the individual worker and of the entire work collective, between work and earnings and the results of the operation of the enterprise.

K: I wonder how this problem was treated in the newspaper discussion on a manpower shortage? Are there such letters?

L: As many as you want. Here are two letters, both from workers. One of them, **A. Ksenofontov,** a builder, works in Gatchina, an old town near Leningrad. The other letter is from **L. Malikhova,** a weaver in the Siberian city of Bar-

naul. In Ksenofontov's opinion, "the existing system of wages and bonuses does not always fully reflect the contribution of every worker to the common cause, and enables people to perform their duties formally". Expressing the same idea, the simple and artless story of Lidia Malikhova enables one to see the problem clearly. She writes: "I work as a weaver at a cotton mill. On average one weaver tends 26-28 looms and can tend more. But the trouble is that people do not want to. Do you know why? It's not to their advantage! Let me explain. Let us suppose that all the weavers in the shop tend 24 looms each. Then two or three of them venture to take on four more looms each. There is, naturally, an increase in their earnings. The next month many other weavers go over to the same intensive method of work. The earnings of all of them rise. This lasts for about a year. Then it is made a norm. As a result, the weavers refuse to operate any more looms."

K: They cannot be forced to.

L: Of course, it is a voluntary matter. It should be so organized that workers feel they get an advantage. But the system of remuneration at the mill, as we can see from the letter, is far from perfect.

K: Do the authors make any suggestions?

L: They certainly do! The contributions to the discussion, both published and unpublished, contain a wealth of valuable ideas and recommendations. The interest of many readers of **Literaturnaya Gazeta** has been roused. According to most conservative estimates, more than 1,000 people have taken a direct part in the discussion and 75 per cent of them are employed in industry. The rest are builders, workers in transport and agriculture, scientists and engineers. Almost one-third of those engaged directly in production are workers. So our mail is representative enough and expresses public opinion in our country. I shall not enumerate

all the specific proposals—there are too many. They concern very diverse aspects of the life and activities of work collectives, from the principles of planning and taking stock of work to the methods of educating young workers.

K: More specifically?

L: Of course, some try to invent the bicycle and others nurse the idea of a new perpetual motion machine, applying it to the economy. But there are many sound ideas. A large group of readers sees the solution of the problem of the manpower shortage in the quickest possible technical retooling of social production.

S. Gruzov, a Muscovite, proposes that the bonus for the overfulfillment of planned assignments be made not in cash but in free time—the granting of additional holidays to workers or allowing them to go home before the end of the working day. **E. Konti,** of Gorky, and many other participants in the discussion suggest that the size of the staff and the wages fund should not be established for enterprises and organizations from above. In their opinion, it is a good thing for this to be done by the enterprises and organizations themselves, according to the specific conditions and requirements. "Today 30 per cent of the wage-scale is paid to workers for doubling up on jobs. Why not 60 or 100 per cent?" asks geophysicist **M. Portnyagin,** of the Irkutsk region. "If somebody has managed to do the work of five people he should be paid as much as five people." There are many very diverse proposals but common to them all is one aim—to make more effective use of labour and wherever possible to save labour, to raise its productivity and the efficiency of social production.

K: Are not some readers trying to force an open door? Such ideas have already been to a considerable extent taken into account. In July 1979, the Central Committee of the CPSU and the USSR Council of Ministers adopted a decision

on improving planning and perfecting the economic machinery. Many things are provided for in this decision. For instance, limits on the number of wage and salary earners have been established for enterprises and institutions, which cannot hire extra workers but are free to reduce their staff. In this instance the wages fund will not be reduced, as was the case before, but will depend on the quantity and quality of output. The rights of work collectives have also been considerably extended.

L: You see, the new system is being introduced not simultaneously all over the country, but gradually. Many still do not feel its impact. The Soviet press has on numerous occasions printed critical articles stating that the 1979 decision is being carried out impermissibly slowly and is meeting with bureaucratic, departmental and parochial obstacles. There also is a psychological barrier—many people are accustomed to the old style. Sharp comments on this have been printed in **Pravda.** But in principle you are certainly right. The idea of improving the economic machinery expressed in the 1979 document is the one which public opinion supports. It has been laid down, for instance, that the new value created by an enterprise is divided into three parts: one is to be spent on the development of socialist society as a single integral system, the other serves to ensure the future production activities of the particular work collective, and the third part is used to provide material incentives to workers of the enterprise.

K: If I am not mistaken the third part comprises only sums for paying bonuses to workers and employees and not the whole of the wages fund.

L: Yes. Many participants in the discussion suggest that the third part should include all the means used for individual and collective forms of consumption, including wages. I agree with this. What if the next step is made and a pro-

found interconnection between these three parts is established? What will emerge from this?

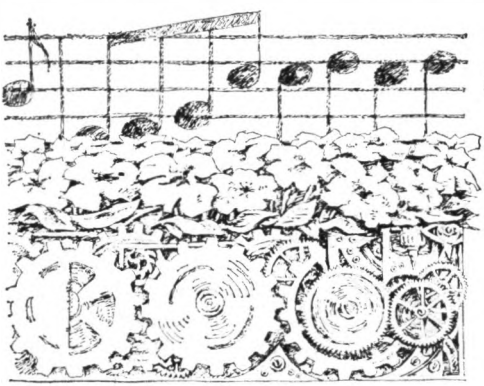
K: Logically the following: the bigger the contribution of the work collective to the development of society, the bigger its consumption fund. And vice versa: a small contribution will mean a small consumption fund. The collective and every member of it will strive for the maximum. Their interests will coincide with the interests of society: to produce more and of better quality with fewer workers.

L: Precisely this conclusion was made by **Nikolai Alexeyev,** senior researcher at the Sociological Research Institute of the USSR Academy of Sciences, who at the request of **Literaturnaya Gazeta** reviewed the whole of the mail. In it he set out a proposal which he wanted to make during the discussion: "When the workers and employees of an enterprise know exactly what parts of the value of the products of their labour will be used for the development of society, in the interests of the enterprise and for the satisfaction of their own needs, they will work persistently to make these parts as large as possible. As I see it, consistent implementation of the principle of payment for end results will bring nearer the solution of the problem on which the discussion centred." As you can see, you and he are of one mind.

K: Now, as a change from talking here, let me go to Kaluga, to see Valeri Pryakhin, general director of the Kaluga turbine plant, for whom I'll admit, I have a fondness. I would like to ask him about the workers there and his own activities. On my return I'll tell you my impressions.

L: Very well, you go to Kaluga and I'll perhaps go to Kurgan, a city beyond the Urals. I have a long-standing invitation to go there from the general director of the **Kurganpribor** instrument-making association.

K: Excellent. See you soon!



CHAPTER III

"People Like to Be Treated with Respect and Kindness"

A Talk with Yevgeni Taranov, General Director of the **Kurganpribor** Instrument-Making Association

I am talking to an engineer and a scientist, a Candidate of Psychological Sciences, who defended his thesis at the USSR Institute of Psychology, while already being the director of an enterprise. A psychologist and manager? An unusual combination. Precisely this drew my attention to Yevgeni Taranov several years ago. I read his books, dealing mostly with the adaptation of young workers. I also attended the all-Union conference on social psychology held in Kurgan at the instrument-making plant headed by Taranov.

Kurgan is a major industrial and cultural centre of the trans-Ural area with well-developed transport and agricultural machine-building, instrument-making, chemical, knitwear and shoe industries, as well as building-materials plants. Kurgan has won special renown for its traumatological clinic, where Professor Gavriil Ilizarov works. He makes unique operations such as even Moscow's surgeons often refuse to tackle. Ilizarov's name enjoys countrywide popularity. People come to him from all parts of the country. In the hotel where I stayed together with other participants in the psychologists' conference many rooms were occupied by people walking with crutches: some of them were waiting their turn to be received by Ilizarov, others were out-patients of the clinic undergoing a course of post-operative treatment.

I was told that the director of the **Kurganpribor** plant is the city's second celebrity after Ilizarov. But for all my respect for Taranov, such a comparison is hardly in place. Ilizarov is a person of natural gifts who cures people thanks to his outstanding intuition and talent as a surgeon. As for Taranov, what he does is in principle within the powers of any other director, and there are equally good examples, for instance, in Dnepropetrovsk, Riga and Kaluga, at the turbine-building plant to which my colleague went. True, Taranov is not only a director, but also a professional psychologist, and such a combination is rare. Yet many Soviet directors, while being in the main engineers, independently study the fundamentals of social psychology, production pedagogics, sociology and law. Without this it is difficult to head a work collective. A Soviet director performs two roles: he is a production manager and also a social leader called upon to create better conditions for work, leisure, cultural development and health building for his employees. To be sure, not only he does this; the trade union has the same concerns, but a good director does not remain aloof

from such matters, being aware of the importance of the human factor in production.

Taranov was fifty when we first met. I had seen him already on the rostrum of the conference and sized him up. He has a broad face. His chin, nose and cheekbones are solidly sculptured, though it is difficult to single out a special, inimitable expression until he begins to speak. In a crowd he would look like hundreds of others. But he is transformed when he speaks, argues or thinks aloud. His face becomes handsome and memorable.

L: I have been told you are keen on flowers. Or is it trees? You set them in a strange way. Is it some sort of fad?

Taranov: There is no fad about it. I conduct experiments to prove a hypothesis of mine. Come up to the window. These birch trees are 25 years old.

L: So what?

T: We first marked them in the forest noting the four cardinal points of the magnetic field on the trunk.

L: Did you make notches?

T: No, we didn't. Notches would damage the trees. We used chalk. We brought them from the forest and planted them, strictly according to the compass, with the same orientation they had had in the forest. Close by, for purposes of control, we planted several trees without orienting them. All trees had the same care, but some of those planted at random did not even break into leaf. The others survived the summer but then withered. Only those planted according to the compass survived and thrive. I stress that only adult trees were transplanted. One birch even had its roots cut off and a part of the rind removed, yet it grows vigorously.

L: What did you do that for?

T: To prove orientation is the main thing.

L: I must admit I have never heard of anything like this. But I am more interested in your own orientation. To man, psychology. When did it begin?

T: A long time ago. I was trained as a mechanical engineer but read a great deal of literature on psychology, social psychology and management psychology. Not that I wanted to write a thesis. I tried to use my knowledge for the good of the collective. What I achieved gave me a fresh impulse to studying, I began to delve into theory, and again not for the sake of theory itself, but with a purely practical aim, endeavouring to create an atmosphere of mutual confidence at the plant. Without this it is impossible to work. When confidence is lacking in a work collective, especially between the management and the staff, an enterprise turns into a through passage, with people coming and going all the time. The labour force is insufficient to fill all the workplaces. It becomes difficult to fulfil the production programme. The cause is the same—a shortage of workers, especially highly-skilled and experienced ones, who are wanted everywhere. You know this situation where everyone is complaining of a shortage of manpower. Why is it that at our plant staff turnover is minimal? I'll tell you why. It is not only, and not so much, a matter of remuneration. We have created an atmosphere of confidence in the collective and constantly concern ourselves with living conditions and the frame of mind of the workers. We want every worker here to feel at home at our plant. I set great store by confidence.

L: Whom do you trust? And to whom do you deny your confidence? Have you ever thought over this?

T: I don't remember ever having denied my confidence to anyone.

L: Can it really be so? Suppose somebody deceives you.

T: May I be frank?

L: Of course.

T: We entrust a post to a person, expecting him to cope with it. Time passes, and we see what you have just mentioned —he begins to tell lies. Why? Is he mendacious by nature? No. The explanation is that we have made a mistake: he is not competent enough, that's all. It is because of his inability to cope that he tells lies. Or, more precisely, he tells untruths.

L: Isn't it the same thing?

T: By no means. Deception is premeditated. But when a person is unable to do something he must find a solution, a temporary loophole, and he finds it in telling untruths, thinking that maybe while they are taking it all in he will somehow manage. But he fails again, and becomes confused. That's when he must be given help. And then an order appears...

L: For his dismissal?

T: Why? For his appointment. I myself write out these orders. For example: "In such-and-such shop important problems must be solved connected with the application of new technology. Since Ivanov possesses all the requisite qualities for carrying out an important assignment and in view of his consent, Ivanov is appointed deputy shop superintendent." And he had been a head official somewhere. But it is one thing to demote and quite another to assign to a responsible job. When the announcement is made at one of the regular meetings in the director's office, he heaves a sigh of relief, having grown tired of shouldering the burden of a job with which he could not cope.

L: Many people are of a different opinion: once you tell a lie you lose other people's confidence.

T: That's incorrect.

L: Incorrect?

T: A leader can be hot-tempered, but not rancorous. If he is rancorous he should resign himself.

L: It does not become a guest to ask the hostess where the undusted places in her house are. But I would like to have some details about the life of the work collective at your plant. Do you have conflicts here?

T: Why not? Conflicts do occur, and there is nothing extraordinary about this. Perhaps we differ in our interpretation of the word "conflict"? To me it is a businesslike argument. But collisions should be—how shall I put it—blue and deep blue, but not black and white. I am against extremes in relations between people.

L: An argument and a conflict are different things. An argument can develop into a conflict if the sides refuse to listen to each other. A conflict can flare up without any argument—because of hostility, distrust or suspicion. I mean when the sides do not try to thrash it out between themselves but immediately resort to complaints to higher bodies and appeal to public opinion and the press, accusing each other of unfairness and intrigues. The argument is, so to speak, behind the scenes and on the surface we see hostility and commissions of inquiry.

T: I don't understand how such things can happen.

L: You have not heard about such collisions? I can give you countless examples. You just have to read the press.

T: Of course, I have heard and read about them. Do you know why it happens?

L: No.

T: From idleness.

L: Only idleness?

T: Only idleness. When superfluous staff are kept on—for safety's sake—and there is not enough work for them to do, because of boredom they begin to quarrel and intrigue against one another, revealing the wrong side of the problem which many see as a "staff shortage". Since there is a shortage, some argue, as many people as possible should be

taken on just in case. Some managers recruit so many people they don't know how to keep them occupied. That's when squabbles begin. When people work a full working day they have no time for quarrels. Debates and discussions are all right. In this case a businesslike conflict does not develop into a personal one.

L: You use your own yardstick. But it is not always like this way everywhere. Some managers are morbidly proud and tough.

T: That's bad. There should be no such managers.

L: Among directors there are sometimes dishonest people, petty tyrants who adore toadies, do not tolerate criticism and cultivate an atmosphere of servility.

T: That's very bad. But at our plant things are different.

...This production association has a special psychological service whose staff includes several professional psychologists, graduates of Moscow and Leningrad universities. Among the workers at the plant the specialists of this service are establishing a system of relations aimed at the fullest possible satisfaction of the employees and achieving their reciprocal grateful dedication to work for the good of all. Is the influence of the system felt? "All seems to be as it should be, but already we want something better." That is the view of a worker in the tool shop. **Victor Gyuppenen,** deputy head engineer, commented: "He is right. The requirements are growing, and it is our duty constantly to think over man-system link."

There are enterprises near the plant where violators of discipline are sacked but at the end of the month, as Gyuppenen put it, "the management takes a car and goes to gather them in again" because production is about to come to a stop. The managers there habitually refer to "a labour shortage". As they say, it is easier to fish in troubled wat-

ers: the earnings at such enterprises are even higher than at **Kurganpribor,** which takes pride in its exemplary order. This is explained by the fact that its neighbours widely resort to overtime and working on days-off, paying double time.

An amusing psychological experiment was conducted at **Kurganpribor.** A group of workers who said there was nothing special at their plant was taken to a neighbouring enterprise to look at what went on there and to draw comparisons. Their unanimous conclusion was: "It's much better at our plant."

Trust rests on accurate information. Hearsay and gossip reign where people are uninformed. If, moreover, their opinions are not asked for and are ignored, this leads to disappointment and indifference. At **Kurganpribor** one can see letter-boxes of the "Your frame of mind" service. Within twenty-four hours every letter finds itself on the desks of the psychologists, the heads of particular departments at the plant or of the general director himself, if the letter has a direct relation to him. The replies are printed in the plant's newspaper or the writer is invited for a personal talk. Often the director and his assistants come to the shops and personally reply to all questions of the workers. This has become a tradition.

But Gyuppenen has the following comment on my view of the link between trust and information. "In some organizations," he says, "nobody is informed about anything and no questions arise. All keep silent. It would seem that all are satisfied, wouldn't it? This depends on the level of claims, right? Claims also have to be controlled, and we do so at our enterprise."

"We have been lucky with Taranov," I was told at **Kurganpribor.** "He is an active director, he has abundant energy

and respects others." One forewoman said: "He is the fourth director in my memory. He is full of ideas and knows how to carry them out." Taranov has relations of confidence not only with the workers. In his undertakings he has the support of both the city authorities and the ministry.

L: What kind of relations did you find when you came here?

T: They were very far from harmonious. I think there was no identity of purpose. In the first place, no one cared about people. The production plan stood above everything else, as if it were not people who carried it out. When we started reshaping relations, one of the shop superintendents even handed in an application: "I cannot work under a director who demands some sort of culture and not fulfilment of the state production plan." Yes, this was in 1968 and it was the superintendent of the automatic machine shop. He asked to be dismissed and we granted his request. The others stayed on and took part in remaking their enterprise. Do you know how many selfless people we have? They are everywhere, at almost every workplace. Without them the director would have been unable to do anything. The collective is the same, but relations have changed. Once the employees were disunited, now they are all friends. Instead of indifference there is pride in one's plant. People value respect and kindness.

Kurgan is a large city with many shops and service establishments. Yet the management of the **Kurganpribor** association, in particular Taranov, prefers to organize services for their workers near the plant or directly on its territory. Like many other industrial enterprises in the USSR, the instrument-making plant has a subsidiary farm of its own which helps to supply the plant's canteens with meat and vegetables. Part

of this produce is sold to the workers, relieving them of the need to spend time on shopping in the city.

When the conference of psychologists was held in Kurgan Yevgeni Taranov undertook to show this diversified farm to the guests. Everything there, from the smallest details to the poster reading "Thank you for your work", has been devised or backed by Taranov and he was acting, not as the director of an enterprise, but as the master of a house he himself had built.

T: At these kiosks we sell flowers from our greenhouse and at these—vegetables. We have a vegetable and fruit store of our own, where we keep 350 tons of apples and enough vegetables for all. We also have a fishery, which supplies fish to our shops, and a poultry factory turning out 80 tons of chicken a year. All this helps our employees to save time. We are building a piggery to improve the supply of produce to the plant's canteens.

The association makes instruments. It is a modern enterprise using advanced technology and noted for its high level of skill. Many processes, including goods handling, are automated and mechanized. But here I want to stress the everyday aspect of the matter, the management's concern for its workers which in the case of Taranov sometimes assumes a naive and touching character. Take, for instance, the director's preoccupation with details of everyday life, with trifles which, depending on one's attitude to them, can gladden or blight a worker's life.

"Please meet Valentina, our box-office clerk," Taranov said, introducing us to a middle-aged woman with a full, kind face who in the entrance-gate office sells tickets to the city's theatres and cinemas. "You can buy tickets from her for up to a month in advance. And now look here. This is interesting."

We were somewhat puzzled: an ordinary hair-dresser's, such as abound in the city. But Taranov was of a different opinion:

T: We have many women here, and our saloon saves them a lot of time, which has a good effect on production. The same is true of our shoe-repair service and sewing-shops. And, of course, we have our own polyclinic: eight physicians, a laboratory, a physical therapy room, a balneological room, an inhalation room, and mud-baths. And look at what we do for our children: every summer they go to out-of-town camps where accommodation is free of charge. We regularly bring them from the camps to the plant, where they see their fathers and mothers at work and then give a concert for them. After the concert they are treated to sweets and lemonade.

While inspecting the plant I saw, quite unexpectedly, a roomful of small children. Was it a nursery on the territory of the plant? As a rule such establishments lie far from industrial enterprises. No, I was told, it is not a nursery. The nurseries are in residential districts, where the workers live. This was one of the children's rooms. There are several such rooms at the plant. If the kindergarten is in quarantine or the grandmother is ill, what is to be done with the child? In such cases the mother usually does not go to work. This has been provided for. She takes her child to the plant, where there are playrooms and a playground in the courtyard, in the shade of trees. The children are given breakfast and dinner and one hour is allotted for sleep. There are teachers to look after them. And all this is free of charge.

I saw similar children's rooms at the plant's aquatic sports centre on the banks of the Tobol river. It has hundreds of motor boats, launches and yachts aboard which workers of

Kurganpribor go fishing or to picnics on days-off. Those who have nobody with whom to leave their children bring them to the centre's children's rooms, leaving them in the care of women in white gowns.

L: I have heard many stories about you arranging festivities for the children of the plant's workers, always with entertainments and refreshments. You evidently love children?

T: Yes, I do very much.

L: It is a personal pleasure, and you don't want to deprive yourself of it.

T: That's right.

L: You must have had a hard childhood.

T: During the war, as a boy, I found myself in a children's home. My mother was ill. Then my mother and I were given shelter by a kind woman who became a second mother to me.

L: And what happened later, when you grew up? What became of her?

T: She stayed with us. My two mothers lived with me for the rest of their lives.

L: Did you think of your future career in your youth? What did you want to be?

T: At school I dreamed of becoming an engineer and my dream came true. I graduated from an institute and was sent to Kurgan.

L: To Kurgan? I was told you were transferred there from Penza.

T: No, I was first sent as an engineer to Kurgan, to the instrument-making plant. But at that time the plant did not take me, there was some mistake and I had to go to Penza. Several years later I returned here, but now as the director. Many years have elapsed since then, but it seems to me that I have succeeded in achieving what I regarded

as the main thing. From the very beginning I strove to create an atmosphere of respect for people, no matter what post they hold, even if it is a very modest one. Sometimes you hear workers at other enterprises talk about our plant: "Things at **Kurganpribor** are different: there they remember even personal anniversaries and family holidays..." You will agree that for me as director it is pleasant to hear such things.

We were shown many other things at the plant, including, for instance, the psychological relaxation room.

...The lights went out and a smooth-flowing soft melody was heard. Before us was an underwater kingdom. "I am calm, calm," a gentle voice said. "I am very calm, I am perfectly calm. Mentally I draw a line around myself and leave all my cares and worries beyond it..." All of a sudden there was an abrupt change to exciting rhythmical music and a laser beam passing through a prism drew fantastic colour pictures on the screen. And again there was a change...

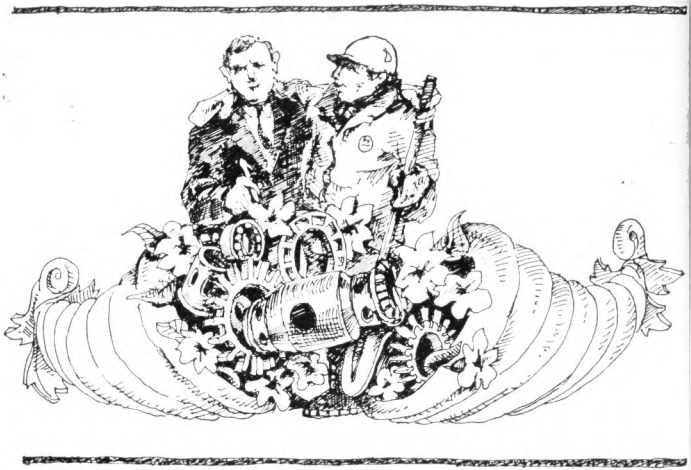
T: The programme lasts for eight to ten minutes. In several shops, such as the plastic and punching shops, we have introduced regular physical culture breaks, one before noon and the other in the afternoon. During the first break workers simply relax; during the other they have tea and are shown short films. But in the case of some other jobs the more active removal of the accumulated fatigue is necessary. This you have just seen in the psychological relaxation room. Won't people soon be bored with one and the same programme? But who told you there is only one programme? Nothing of the kind! Even in each of our twenty-odd canteens we have twenty-two variants of the menu in a month, so there is a wide choice of dishes.

I also visited the plant's phsychological research laboratory, whose equipment is in no way inferior to that of scientific institutes. I also saw the psychological consultation and professional diagnostics rooms.

"We are only beginning, trying. . .," the plant's psychologists modestly explained to visiting psychologists.

L: Why do you, the director of a large enterprise turning out complex instruments, attach such great importance to human relations? How does it tally with the economics of production?

T: I am convinced paying attention to people is in the long run highly profitable. Goodness breeds goodness, a desire to work well. The plant is successfully fulfilling its production plans. The customers are pleased with our products. You think our achievements are due only to the renewal of machinery and production techniques? Of course, we are seriously tackling the problems of technological progress. But we are counting just as much on confidence.



CHAPTER IV

"The Director Should Run Production Jointly with the Workers"

A Talk with Valeri Pryakhin, General Director of the Kaluga Turbine Plant Association

I met Valeri Pryakhin during the making of a TV film. An interesting social experiment is being conducted at the Kaluga turbine plant and we wished to describe it in a film. It was not an easy task. The shortness of the film made it impossible to go into detail. The most we could hope for was to arouse the viewer's interest in the ingenious way out found in Kaluga of a complex situation as regards labour resources. But that is already no small achievement—to make people think of similar problems of their own.

We feared we might not convince the turbine-makers of the importance of our work and not get them to help us. After all, the production plan there is quite an intense one, turbines are in great demand and the programme for manufacturing them is constantly growing. And we were going to turn shops, sections and even the director's office into a film set, that is to say, to create chaos there.

Pryakhin came to our rescue.

An extremely busy man compelled to devote himself to his doctoral thesis only in fits and starts after work (Valeri Pryakhin received his candidate degree when, as a young specialist, he headed the plant's laboratory), he shared with us the burden of the work of filming. His example was followed by others. An intelligent, modest man, Pryakhin stubbornly resisted only one request — to appear before the camera in person. He rejected all our reasons until the simplest one occurred to me: the director's personal participation was dictated by the interests of the job in hand. "For the sake of the job" is an unfailing argument with Pryakhin.

In my work on TV I interviewed many economic executives before the camera. But I retained a particularly lasting and affectionate memory of my meeting with Pryakhin. He immediately won us over with his friendly interest, intellect and charming appearance. He was not yet fifty but his thick hair was snow-white. He is said to have turned grey when still young, immediately after the sudden death of his parents in an accident.

The camera and the microphone were switched on, but the conversation flagged. The producer started to ask questions, but just could not hit on the right tone and Valeri Pryakhin replied politely, but somewhat formally, not the way people talk with friends or at home, when not on duty — and this was just what I did not want. Sincerity of tone, a

kind of intimacy were the only things that could make a film about an unusual experiment authentic. Before me sat an intellectual and all of a sudden, surprising myself, evidently in contrast to his appearance, I asked an impudent question having nothing in common with a polite conversation:

K: Do you use "strong language"? Have you ever spoken with people in such a way?

Pryakhin: I must admit that I have, once. Only once in my whole life. It was late at night, in a secluded spot. A group of drunken people stopped me and demanded money. I replied to them in the language they best understood. Fortunately, I have had no other occasions.

K: What about your subordinates? Do you ever raise your voice when talking to them?

P: No, never.

K: You have thousands of subordinates. What is your attitude to power?

P: I do not like to wield power. It gives me no pleasure. There are people who long for power. That is not in my nature. I try to have things done without giving too many orders, without resorting to administrative methods.

K: How is this possible? How do you cope with managing a huge plant?

P: I do not work alone.

K: I realize you have assistants, specialists. . .

P: I do, but I work not only with them.

K: With whom else, then?

P: With the workers at the plant.

K: That sounds just like a fine phrase.

P: It does, if there is no substance in it. But we give it substance in our association. Our entire system of the organization and stimulation of labour relies on joint running of the plant by the management and the workers. So there

is no need to punish people, to bang your fist on the table. The system works automatically. There is a smoothly functioning and, I would say, good-looking system of planning and management. The specialists draw up the programme of output basing themselves on the demand for our goods and the possibilities of producing them. There are strict technological rules. Nevertheless, we first ask the workers and foremen what else they need for fulfilling the assignment. All their reasonable demands are taken into account and met. Everyone knows who must do what and within what time-limits. We work in concert, without getting on one another's nerves. The director and the workers are equally interested in the results.

K: Why are the workers interested? In the event of a failure the director can be relieved of his post. His ambitions are bound up with the successful performance of the plant. But what motivates the workers? Fear of losing their jobs? Whenever they feel offended by the management they can "slam the door", and they will willingly be taken on at a plant nearby. A fitter or a turner are paid for the work they do, and they have apparently no reason to concern themselves with the assignment for the whole section or shop, let alone the production programme of the whole plant.

P: As I have already said, we manage the plant together with them.

K: To manage together does not imply seeking each other's advice. Orders are issued by the management. What if you are mistaken? Can the workers have the order cancelled?

P: At our plant the right to issue orders belongs to workers too, to team leaders' councils. In some cases their decisions are binding on all, the management included. That is the essence of our experiment. But I want to answer your question as well. If I make a mistake, I am not afraid to cancel my order. I don't see anything special in apologizing

publicly. The director's post does not give me a sense of being absolutely right and infallible. It obliges me only to do my job and to be responsible for it. . .

My own impressions of the Kaluga turbine plant are of an enterprise operating successfully and enjoying a good and well-earned reputation. But well-informed people say that it has not always been the case. Commissioned right after the war, the plant manufactured small turbines for sugar refineries and wood-working plants. There was no need for large-scale power production then. But when this need arose the plant was found to be unprepared for it. It could not cope with its plans any longer; its reputation among customers and higher bodies began to fall catastrophically; the management and workers ceased receiving bonuses. There happened what is bound to happen in such cases: the work collective began to degrade. Discipline loosened and the level of workmanship fell.

The new management had to introduce radical changes.

In the light of the traditional organization and remuneration of labour that prevailed in Soviet industry the reforms of the Kaluga turbine-makers appeared well-nigh revolutionary. They abandoned what had for many years been regarded as the only possible and correct way.

Previously, the foreman gave a separate written order to every worker and distributed assignments every day. Whether he wished so or not, he thereby bred disunity among machine-tool operators, for some of them received "profitable" well-paid assignments and others less remunerative ones. (Perhaps it should be explained here that in the USSR the workers in the main trades are paid not for the time worked in the course of which they are to carry out a pre-set assignment (time-work), but according to the piece-rate system: there exist rates for manufacturing parts or doing par-

ticular operations — the greater the number of parts made or operations performed, the greater the earnings. This system is called individual piece-rate. At the Kaluga turbine plant this widespread system was abandoned, for it was found out that it had come to contradict social morality, which gives preference to the spirit of collectivism and mutual assistance in work and in human relations. Assignments began to be given for groups and teams of workers. The group is paid only when the assignment has been carried out in full. And the earnings are paid to the team as a whole, which distributes them as it thinks fit without the participation and interference of the management.

P: A person works better and achieves more when he considers the matter in hand as his own affair. Such is human psychology. How to make this feeling and the diligence connected with it be displayed by the workers at large industrial enterprises belonging to the state? We have public ownership; this is the essence of the economic system of socialism. It was supposed that by virtue of this fact every worker would regard the work of his plant as his own affair. At the level of the whole state he is just as much an owner of the plant as am I, the director of the plant. That's how it is for the most highly politically conscious workers, but for many this is too abstract. Some workers cannot regard as something their very own even the production programme of one section or shop, to say nothing of the plan of the whole plant. But when we unite groups of workers into teams, where the mechanism of collective material and social interests operates, the problem becomes simpler. Everything becomes closer and more understandable to the workers: they have done something, let us say, by a group of ten, earned for ten and divided the money—it is very simple.

K: But how is this connected with the plant's plan? It remains equally remote or abstract to each fitter or turner?

P: No, it does not. The point is that the sum of annual team assignments equals the annual programme of the plant as a whole. The workers strive to do their own job well and it turns out that they do the common assignment also well.

How to express in terms of film this view of the psychology of human labour? Of the striving of a worker to be master of his job? We pondered this and there appeared in our film the figure of a master sculptor unhurriedly working with his small hammer. In one person he embodies worker, manager and creator. He is responsible for everything from the conception to the performance. Of course it is more interesting to make a thing by oneself from beginning to end, to experience pleasure, to be rewarded for one's work.

Alone, one is one's own master... On the screen we showed the hands and the face, full of concentrated inspiration, of a master sculptor, and then a modest rack with a single jacket on it.

The cinema has its own language: one jacket, and after it comes a long panorama shot along the cloakroom with many-coloured jackets, overcoats and raincoats pressed one against another... One and many.

The product of the sculptor, a finished work of art, is there to see. He looks at it with satisfaction. At the Kaluga plant, a turbine is the product of the efforts of a great multitude of people. Every part is the result of hundreds of operations, and in the making of the turbine millions of operations were required. They are performed by thousands of workers. Yet at the Kaluga plant they have brought everyone to see in a turbine something of his own creation. It turned out that

there was no need to take careful stock of these millions of operations and constantly control their performance with the help of a computer centre. It was enough to give different parts of a turbine to different groups of workers, giving them besides the right to distribute the earnings at their own discretion, a whole system of rights which they did not have before. For example, they can join groups voluntarily and they work only with those with whom they want to work. (Even the general director, to say nothing of foremen and shop superintendents, cannot appoint a man to a team against its will or dismiss anyone from a team without its consent.) The accounts department pays not according to the orders written by foremen, but according to the records of the team councils on the distribution of earnings among their members. The team council is elected. Without its consent no member of the management can give any assignment to the team.

K: And what if the shop superintendent does not want to reckon with the workers' opinions?

P: Then the teams appeal to their own management body, the council of team leaders, which is to be found in every shop. Its decisions are binding on all the personnel, including the management. True, the shop superintendent has the right of veto.

K: And how often does he use this right?

P: I don't remember a single instance.

K: But what if he does use it?

P: Then the shop council of team leaders will refer the conflict to the plant council, whose decision has the same force as that of an order by the director.

K: Is it binding on you, too?

P: I also have the right of veto, but in ten years I have never used it. If we begin to abuse this right the workers

will lose faith in the collective management system and will not regard the affairs of the plant as their own.

K: But there exists a distribution of roles, traditional in industry. Some things are done by the management, others by the engineers and yet others by the workers. Do you deny professionalism, specialization, differences in educational level?

P: All this cannot be denied, of course. But at our plant the manegement functions are reasonably distributed between the specialists and the workers. The engineers and economists are engaged in designing, working out production techniques, finances, the organization of supply and sales, the forecasting of growth perspectives, and many other things. They and their superiors play an essential part in management. The same is true of the workers, who act through the councils of team leaders at different levels. They control all processes on which directly at workplaces the most efficient fulfilment of assignments depends and, consequently, the good earnings of the workers. In these matters the management has given great freedom of action to the workers. We have delegated part of our powers to them and do not regret it. As a Russian saying goes, two heads are better than one. At our plant hundreds of clever heads take part in management. Our "brains trust" has grown many times over. Formerly we had no idea how many sensible recommendations and suggestions could be received from the workers. As we see it, our reliance on industrial democracy has fully justified itself...

In the process of shooting the film we had the opportunity to attend a meeting of the team leaders' council under the general director. It is a sovereign body of workers' self-government. We saw how the management and the workers jointly seek a solution—at a common table,

as equals. The question was what principle should one be guided by, when a worker was simultaneously operating several machine-tools: how much should one pay to an extra worker, how should one take stock of the growth of labour productivity. On behalf of the management proposals were submitted by the deputy director for economic questions. He spoke confidently, obviously without having any doubt about the accuracy and persuasive power of the calculations done on his instructions by the plant's economists. But then the floor was taken by a bright and energetic spokesman for the workers. He was followed by some other workers' representatives and proposed several important amendments to the management's draft. In the course of the ensuing debate the two sides arrived at a mutually acceptable compromise.

The sitting was chaired by two persons, general director Pryakhin and turner Victor Chernov, who heads the team leaders' council. Incidentally, both are State Prize winners. Pryakhin received his prize earlier, for participation in the development of new technology, and Chernov quite recently, in November 1982, for achievements in labour.

Chernov told us he could summon to the council's sitting any shop superintendent and demand an account of the fulfilment of workers' demands. Executives are rather afraid of such calls and painstakingly prepare for them. On the recommendation of the council several executives have been relieved of their posts, while others have received bonuses for effective assistance to the work of the teams. Chernov signs all the decisions of the team leaders' council, which contain all sorts of instructions to high members of the management such as the head engineer, deputy directors, department and services chiefs and shop superintendents. These documents must bear the visa of the director. Victor Chernov also mentioned in a conversation that he, a turner, has

the right to enter the director's office at any time without previous announcement and to invite the director to sittings of his council, which Pryakhin never misses.

K. Understandably, turner Chernov and other workers like this democracy, but of what use is it to you, general director of an enterprise? What use do you have for the workers' council or, as it is called here, the team leaders' council?

P. I understand you. You want to say that it is simpler for the director to perform his functions without any consultations with workers. To direct by orders: "I give the orders, you carry them out!" You probably think that at our plant the whole process of management resembles a bulky and unwieldy wagon. At a sitting of the team leaders' council the director has to set out his ideas, to try and convince the workers of the correctness of the actions he wants to undertake. It may so happen that they will make him change his mind, and this will be a blow to his self-esteem. So it turns out there is nothing good in this for the director, he has nothing but trouble. Is that what you wish to say?

K. At least it looks so, if you take a detached view.

P. I won't repeat stock phrases about collective decisions being more correct. Nor will I enlarge the theme of self-esteem: it must recede into the background when there is a job to be done. My answer will be brief. What does the team leaders' council, and similar councils in the shop, give us? Stability.

K. Stability?

P. Yes, stability in work. Reliability. Let us assume that the director gives an order. It has been drafted by specialists, well thought out, and apparently everything in the order is correct and should be carried out. But things go slowly. To have a good order carried out constant control

is needed. Now take our situation. It is entirely different. The very same question is discussed by the management together with the team leaders' council and the workers approve the decision. The order is issued as if on their behalf and the director has no need to control its fulfilment. The workers themselves will do the controlling and everything else that is needed, because they themselves discussed the order and issued it as their own. It is already their decision, not mine. . .

The Kaluga turbine plant, which is in the same situation as all other enterprises in the USSR and which, in addition, has for years been short of 400 workers and fully renovated its output three times in recent years, never lets its customers down. Moreover, it itself asked the ministry to increase its plan. Labour productivity and the volume of production is growing there twice as fast as the national average for the machine-building industry and manpower turnover is half the national average.

As we have seen, it owes its success to the fact that it relies first and foremost not on reserves of production but on the resources of the individual, on production democracy.

K: Are many people interested in your innovations?

P: Yes, we have visitors from all parts of the country: we have received more than 15,000 people already. Many of them are director colleagues, as well as heads of ministries and central departments and other people in charge of the Soviet economy.

K: What do they say? Do they like it here?

P: They compare our system of management with theirs and in the end almost all of them arrive at the conclusion that our method is worth adopting. The collective system

providing for the participation of workers in management and the team organization of labour has been widely supported by the press. It was also approved by the all-Union seminar of industrial executives held in Kaluga by a decision of the CPSU Central Committee. Now you are making a film about us and even more people will learn about the Kaluga variant.

CHAPTER V

What the Experts Say

K: Do you find the question is beginning to get clearer?

L: On the contrary, I find it is getting ever more complicated.

K: What do you mean?

L: I mean exactly what you mean: Is there really a shortage of manpower in the USSR? At the beginning of our conversation it appeared that we were proceeding from an immutable fact: there is a shortage of workers at many enterprises and in several regions. There are spheres of activity with a chronic shortage of workers, and even higher wages and salaries do not help. As a matter of fact, precisely that triggered all the discussion. Even sociologist Ale-

xander Radov admitted it, though he tried to find some flimsy benefits in the situation of a manpower shortage. And then, all of a sudden, a sharp turn: it is all a myth, there is no manpower shortage, there are only miscalculations in planning, in production management and the remuneration of labour. In short, we must improve the economic mechanism; the Soviet economy was not and is not threatened by any serious maladies. Is that not so?

K: Exactly. That is why I say that the question is getting clearer. Our talks with general directors Taranov and Pryakhin respectively in Kurgan and Kaluga only add a weighty argument in favour of such a conclusion: there is no problem of a shortage where the management has succeeded in making the workers interested, where all their needs, including everyday needs, are taken care of, and where—most important—they are fully trusted and given the right and a real possibility of taking part in managing their enterprise. There is neither a shortage nor a surplus of personnel there. An optimal situation. Don't you agree? Why do you say the question is getting more complex?

L: I do agree with you. What makes me doubtful is the simplicity of the answer. Things are in a bad way? Work better and everything will be all right! I am afraid our conclusion may prove too superficial. Tell me, please, are all the directors who are plagued with a shortage of workers incompetent? Do you know many of them? Have you met them? Are they nincompoops, ignoramuses?

K: No, of course not... But then, one comes across all sorts of people...

L: There are all sorts of people everywhere. There are bad and talented actors, dull and great writers, incompetent and wise teachers, callous and humane physicians. Plant directors, planners, leading workers and ministers are only humans. Of course some of them are incompetent dullards who

have made a career due to connections or happy coincidences. But the majority of our managers—and I know this stratum well enough, having observed them for many years and having written about them many times—are energetic and capable people, experienced specialists who have climbed up all the steps of the official ladder. It so happens sometimes that, while having engineering diplomas, they lack managerial education. Although we already have a fairly extensive system of managers' schools, not all have had the time to attend them yet. But the gaps in managerial education are compensated for by experience, and it would be a gross injustice to reproach them for a lack of desire to do their job as well as possible. The same is true of their capacity for work. Surveys show, for instance, that directors of enterprises work greatly in excess of the fixed hours of work. It is with good reason that such posts are said to guarantee heart failure.

K: I know. Even Valeri Pryakhin, the successful Kaluga director, is constantly overstraining his heart and has been in hospital many times because of this.

L: Listen further—do you assume that clever and ambitious executives are incapable of independently drawing the simple conclusion: "Things are bad—work better, and they will improve"?

K: Do you believe something stands in their way? What can it be?

L: Maybe some deep-going processes in the economy do influence the state of labour resources. In readers' letters we rarely come across such words as migration and the demographic effects of the war. But these things do exist and influence the personnel problem. What about the transition to intensive economic development which is under way in the USSR, the reduction of the number of newly-built enterprises sharply to raise the efficiency of those already exist-

ing—in what way do these processes affect the problem we are now discussing? Is everything here clear to you? I personally cannot boast of being fully in the know about this, though I could voice a couple of suppositions.

K: Wait a moment. The participants in the discussion on the personnel shortage included specialists—and there was discussion not only in **Literaturnaya Gazeta,** but also in other publications. There were scientific conferences on the problem of labour resources in the USSR, and I attended one of them. Why should we engage in guesswork? Let us turn to the experts, let us continue the discussion by giving the floor to specialists.

L: That's what I was thinking, too.

"We Are Now at a Turning-Point"

These views are expressed by demographer **Victor Perevedentsev,** author of many books and articles on demography, population migration and labour resources

P: The position as regards the supply of labour resources to the national economy is rapidly and sharply changing. We are now at a turning-point.

The national economy of the USSR has always been developing in conditions of a great increase in the number of people employed in it. For instance, in the eight years from 1971 to 1978 the number of people employed in the national economy rose by 15,800,000, which means an average annual increase of two million. According to the 1979 census about 135 million people—51.5 per cent of the entire population—are engaged in the national economy. It is the highest percentage of employment in the world.

In the 1970s the rapid growth of the number of workers was made possible by a large increase in labour resources. In the past 10th five-year plan period the increment in the

population of working age amounted to 11,200,000. But in the 11th five-year period (1980-1985) it will be only 3,300,000 and it will be even less in the 12th five-year period (1986-1990). This is taking people within the formal age limits of working capacity, that is, from 16 to 55 for women and to 60 for men. In reality these limits shift somewhat: people begin to work at an average age of 20 years and at the same time many people continue to work in the first five years after reaching pensionable age. If we take the population in the 20 to 60 age bracket in the 12th five-year plan period there will be no increase in the number of workers at all. In this century a considerable increase in labour resources can no longer be expected; this is an absolutely irrefutable fact, because almost all those who will reach working age before the end of the century have already been born. So the country is at a turning-point, passing from development in conditions of very large increases in the labour resources to development in conditions of virtually no change in their number. This state of things is a result of the sharp drop in the birth rate in the 1960s.

Are our labour resources sufficient today? They are. Moreover, the labour balance in the country as a whole is less taut than some time ago. A large increase in labour resources made possible intensive development of the North; there was a sharp decline in migration from the countryside; the outflow from Siberia gave way to an influx, and so on. That was precisely due to an unprecedented increase in labour resources and not to anything else. But that is the state of things in the country as a whole, while in different localities the situation may be entirely different and even quite the opposite. Hence the complaints that there is no one to do the job, that tractors and combine harvesters stand idle in some places and machine-tools in others, that there is a shortage of savings banks workers elsewhere, and so on. Why

such a paradoxical situation—at a time of the largest ever increase in the country's able-bodied population, there is endless talk of a shortage of workers? This must be looked into.

The simplest situation of all is in Moscow and Leningrad, where there is a shortage of workers at enterprises, but by no means because of the "manpower situation" in the country as a whole. Tremendous efforts are being made to hold back the growth of these gigantic cities; attempts are being undertaken to limit the influx of people into them. We will not discuss here the expediency of such "containment". Let us assume that it is necessary. But then, I am convinced, the efforts are misplaced. If it is necessary for Moscow and Leningrad not to grow the number of vacancies there should not be increased. If new jobs are created there should be workers for them.

It should be noted that not infrequently a shortage of manpower, especially of workers of particular professions, trades and qualifications, is experienced where there is a considerable surplus of labour resources. In some cases the scale and structure of the training of qualified personnel do not correspond to the requirements, in other cases trained workers very willingly change their professions and trades. Here is an example. In the three years from 1975 to 1977, 3,675,000 farm machinery operators were trained in the country. But during the same period their total number grew only by 375,000.

There is no doubt that in many places there is a shortage of manpower in agriculture. But it is equally undoubted that there is a vast surplus of labour resources elsewhere. These questions have been sufficiently well investigated by research scientists.

There are considerable reserves for improvement in present-day technology and the organization of production. But

in many cases technological and other progress leads only to an apparent release of labour power, because the volume of production is to grow. So an increase in productivity leads, as a rule, not to a reduction in the number of workers, but to a corresponding increase in output.

I am convinced that at present there is no shortage of labour resources in the country. Moreover, the reserves are evidently considerable. One proof of this is the great difference between the numbers of employed according to the census and current statistics. In 1978-1979, the average annual number of employed was over 123 million. The difference of 11 million with the data of the census (135 million, if you remember) is explained by the fact that the latter counted as employed seasonal workers, although "not working at the time of the census", those who were changing their places of work, collective farmers temporarily not working at collectively-owned enterprises, and so on.

However, although labour resources are sufficient in the country as a whole, considerable territorial disproportions exist between the need for labour power and its availability. In some cases these disproportions are increasing. For instance, many regions of the Non-Black Soil Zone (the central part of European Russia) are very rapidly losing their rural population, while the opposite picture is to be observed in regions of Central Asia which have the largest surpluses of labour power. May I recall that in the nine years between the censuses of 1970 and 1979 the rural population of the Kostroma region decreased by 28 per cent, that of the Orel region by 30 per cent, while that of Tajikistan grew by as much as 36 per cent!

To have an accurate idea of a shortage or surplus of labour resources in different localities one must regularly draw up balances of labour resources for every city. This is provided for in the decision of the CPSU Central Com-

mittee and the USSR Council of Ministers on the improvement of the economic mechanism. Such balances are the basis of all the work to improve the use of labour resources.

To sum up, so far there are sufficient labour resources in the country. But in the very near future a shortage will begin to be felt. One must devise and promptly undertake measures to mitigate the effect of this on the national economy.

I believe that, as is the case today, in the 12th five-year plan period there will be a rapid increase in the number of employed in non-productive sectors of the economy, in the sphere of services in the broad sense of the word. This is determined by the necessity to raise the level of services to the population and increase what are called "investments in man", as well as by the very growth of the population. Both factors will operate in the future. Therefore, an increase in employment in this sphere is inevitable, which will lead to a decrease in employment in the sphere of material production.

In short, many difficulties can crop up; hence the need for a system of well-thought-out effective measures which will make it possible to draw into social production the surplus rural population in several southern regions of the country and, above all, Central Asia and Transcaucasia. It should also be borne in mind that the share of Central Asia in the increase in the population of the country is quite large already today and it will continue to grow. To make the most effective use of this possibility at a time of an overall decrease in labour resources, a large proportion of new industrial construction should be shifted to Central Asia.

The labour resources of Central Asia are growing primarily in the countryside, where the population is little inclined to migrate, to become accustomed to town life and urban occupations. To stimulate an influx of rural youth into the cities there is a need for an effective system of encourag-

ing their migration to the cities and their adaptation there. I believe that Central Asia is the key region in solving the problem of manpower resources for the whole country.

One more important problem. The difficulties ahead with regard to labour resources are primarily connected with the fall in the birth rate in the 1960s, when child-bearing age was reached by the not-so-numerous generation born in the Second World War years. Until the end of this century the number of persons of working age is strictly determined and cannot be increased. But greater use can be made of young people in the national economy. In addition, the scientific and technological revolution calls for constant improvement of the general and professional education of young people starting their working lives. Thus, the educational, labour and, if I may say so, "reproductive" functions of young women compete with one another.

As we can see, a solution of many problems raised by the discussion about a manpower shortage is impossible without regulating the demographic aspects of life.

"There Cannot Be a Shortage of People!"

That is what political economist and Assistant Professor **Tina Dzokoyeva** who teaches political economy at a Moscow institute of higher education and prints her articles in both specialized economic journals of the USSR Academy of Sciences and in popular publications thinks about the labour shortage problem.

D: A deficit means a shortage, but the word cannot be applied to human beings. A shortage of people? The question cannot be posed in this way.

People are the starting-point in society. They are not fitted to anything; on the contrary, everything is fitted to them. We can speak of the distribution of people among partic-

ular spheres, sectors of the economy and enterprises, but not of a shortage of them.

The demographic factor certainly plays a role in the current difficulties with staffing, but it alone cannot explain the situation. Nevertheless, an air of something unusual happening and even of something sensational has been created for several years past. "Have you heard? In the 1980s society's blood pressure will increase. A demographic crisis is not out of the question. Most people will be elderly. Machines and lathes may come to a stop. There will be a terrible staff shortage." And one cannot help looking round, trying to see portents of the forthcoming difficulties.

In the sphere of higher education familiar to me signs of a "shortage" are not easy to find, although it resembles social production in all respects, including the technical, organizational and staffing aspects. The higher school's "belltower" does not give warning of an underproduction of specialists in our country. The USSR holds a leading place in the world in training them. Echoes of alarm come here from the services sphere. Students throng into lecture halls in their overcoats: the cloakroom is closed because of a shortage of cloakroom attendants! It is much easier to find professorial staff, even at Moscow State University.

But the most powerful argument in favour of a "shortage" is industry's constant demand for loaders, general workers, plasterers, house-painters, and so on. In fact, the concept of a "labour shortage" is today linked with the sphere of production. But when you study the announcements of vacancies you come across an embarrassing paradox: in the age of the scientific and technological revolution most of the vacancies are for low-skilled workers.

Something is indeed happening with labour resources. But can it be called a "shortage"? I accept this term only in inverted commas. But not because a hidden surplus is pre-

sented as a shortage. As I see it, this debate heightens interest in two problems: the kind of labour (the qualifications needed and its attractiveness) and its distribution among spheres of activity.

In the USSR 123 million people are engaged in productive labour. Virtually the entire able-bodied population. It is not an easy task to distribute these millions among hundreds of industries and thousands of professions and trades. If a miscalculation is made, some industries or territories will remain forgotten and there will appear to be a manpower shortage.

Examining this questions from the most general, theoretical point of view, one observes a disproportion. Today production needs labour resources more than any other sphere and at the same time it is production that has priority in getting workers. Moreover, production is the primary distributor of labour resources. It is mankind's hearth giving life, warmth and the possibility for the development of all spheres of social activity. Man kindles the hearth and never leaves it. A certain part of society occupies itself with maintaining the fire. Thus there arises the primary division of the entire able-bodied population between production and the spheres lying beyond its confines.

In recent years the absolute influx of workers into the sphere of production has been decreasing and it will go on decreasing—not only due to demographic causes. But even with the diminished influx of labour resources, in the USSR a greater proportion of the population than in the other economically developed countries is engaged in the material sphere.

Should the inflow of labour resources into this sphere be promoted?

The answer depends on the technological level of production and its qualitative characteristics. But the main tenden-

cy is evident: an ever greater number of people are employed in the non-productive sphere: science and the arts; the education system and medical services, etc. The conditions for this, however, should be prepared by production itself.

The tendency for the growth of employment in the non-material sphere has become more active of late. Whereas in 1940, at a time of intensive industrialization, the non-productive sphere accounted for only 11.7 per cent of the population, in 1981 the figure was 26.3 per cent. This growth should be welcomed and even declared to be insufficient if only material production, while releasing a part of its workforce for employment in the non-productive sphere, did not constantly apply to it for help. There is a problem facing us, but it is a disproportion and not a "manpower shortage".

Moreover, production has its own powerful compensator for the shortage of labour power. This is determined by the law of growth of labour productivity, in accordance with which the expenditure of live labour decreases while that of objectified, dead labour increases.

At one time it seemed that production was prepared to turn the whole of society into labourers, telephonists or accountants. But there appeared excavators, automatic telephone exchanges and electronic computers, and the effectiveness of human labour grew thousands of times over.

Today in the USSR a growth of productivity by one per cent compensates for the labour of nearly one million people. In keeping with its concepts of obsolescence—physical and moral—production shows ever lesser sympathy for low-skilled, manual labour and sets the professions and trades more complicated tasks.

At the same time the number of people engaged in low-skilled and manual labour remains so large that the need

for changes is self-evident. There are various ways of reducing particular forms of low-productive labour, but all of them are linked with technological solutions.

In principle, production should be a self-regulated system ruling out the concept of a "labour shortage". It constantly develops in such a way as to overcome the shortage of the human factor in the productive forces. With this aim in view it makes more perfect machinery, taps new sources of energy, introduces organizational innovations and makes higher demands on the qualifications of workers.

There can be temporary shortages of specialists possessing the modern skills dictated by technological progress—until such time as the training of specialists with the required skills is organized. It is theoretically incorrect and practically harmful to apply the yardstick of a "shortage" to obsolescent professions and to low-skilled manual labour. It is equally incorrect to define as a "shortage" everything that results from poor organization, stoppages and an excessive number of workplaces.

To hope that at a time of "shortage" the director of an enterprise will suddenly look on people as individuals (as sociologist Alexander Radov naively believes) is not a very comforting perspective. The social "sensitivity" of such a director evaporates as soon as the labour situation improves. But even beyond the boundaries of elementary pragmatic well-being the aim of Soviet society is the moulding of the individual. A harmoniously developed and socially active individual who multiplies the human potential independently of the demographic curve.

"It Is Utopian to Rely Only on Technological Progress"

These are the views of economist **Georgi Kulagin,** senior researcher at the Leningrad Institute of Finance and Econom-

ics, who has rich experience of managerial work—until recently he was the general director of a large machine-tool-making association.

K: Yes, of course, the main way to saving labour resources lies through technological progress, the reduction of manual labour, mechanization and automation—but those who rely only on technological progress are living in a Utopia.

Correct allocating of available labour resources in keeping with the real requirements of the economy is a matter as pressing as the development of technological novelties. What society needs is not so much record-breaking performances in particular sections as high productivity of social labour as a whole. One should approach any reduction of the number of basic production workers with particular caution.

Not long ago I visited the **Metallichesky** plant in Leningrad, where I worked for more than a quarter of a century. It is now experiencing its "second birth"—tens of millions of roubles have been invested in its reconstruction. It now has very up-to-date equipment, the quintessence of world technology. The degree of automation is very high. Many machine-tools are programme-controlled. Many of these ultra-modern machine-tools stand idle—there is a shortage of machine-tool operators.

To operate these tools one has to have knowledge, acumen and concentrated attention, but one does not have to exert even the slight physical effort exerted by, say, an assemblyman. Yet, strange as it may seem, the situation as regards assemblymen is better. Characteristically, Leningrad's vocational schools training radio assemblymen, electricians and skilled workers in some other trades have competitive entrance examinations, while there is a chronic shortage of applicants for schools training machine-tool opera-

tors. Such a state of things may be observed not only in Leningrad.

And here is some more food for thought. There are two famous production associations in Leningrad. Both have the latest machinery. Both have palaces of culture, swimming pools, their own sanatoriums in the South, hospitals and polyclinics. Both conduct large-scale housing construction. But in one of them manpower turnover is minimal, discipline is high, and most of the newly recruited workers are well-educated urban young people. At the other, manpower turnover is higher, discipline—worse, and the staff is augmented by drawing low-skilled workers from the countryside.

What is the matter? Perhaps the management of the second association is less competent? I think the main thing is that the first association manufactures vacuum and semiconductor equipment and micro-computers, while the second manufactures tractors, rolled ferrous metal and other highly important but less elegant products.

Let me cite my personal experience. During ten years as director together with the engineering and everyday services I persistently occupied myself with the foundry. We carried out capital repairs of the buildings, improved the ventilation system, built a new sand conditioning department and a new hydraulic cleaning system, mastered the latest methods of moulding and extended everyday service and storehouse facilities. We paid the highest wages to the foundrymen, gave them the lion's share of new housing and introduced free lunches. I myself frequently visited the foundry and knew its concerns and needs. Despite all this, the position as regards the staff worsened from year to year and continues to worsen today. At the same time we did not pamper the electric shop, where typical manual labour predominates. In all those years we did not invest a single kopeck in it, and working conditions and production methods there

virtually did not change. I visited the shop at most once a year. Nevertheless we never experienced any difficulties with its staff.

What conclusion do I draw from these facts and observations? We have no lack of young people wanting to become scientists, actors, artists, radio assemblymen, operators of electronic equipment and even fitters. But there is a shortage of those who want to become miners, metal-makers, machine-tool operators or milkmaids.

It is common knowledge what an acute shortage of workers is being experienced by the coal and metal-making industries and the railways. Not for nothing the government has adopted several important decisions to secure stability of the workforce in these sectors of the economy, has raised wages, introduced long-service bonuses, reduced the working day and lowered the retirement age. This is the case not only with blue-collar workers. Although our body of engineers is more than three times that of the United States and the output of engineers in our country is six times greater than in the United States, our institutes of higher education are not meeting the demand for engineers in the ore-extracting and metallurgical industries and transport. Institute staffs know that the number of applicants taking part in competitive entrance examinations is decreasing from year to year.

So what is to be done? Deliver cement by air and not by rail? Pressure "negligent executives" to create the same working conditions in mines as in art studios and optical goods factories?

I want to point out that one should not go to extremes, maintaining categorically that "there is really no shortage of manpower" in the USSR and that "it has been invented".

One cannot fail to see that there is a real and acute shortage of staff in several branches of material production and

in the services sphere, especially where one has to work in three shifts, in the open air, underground and in hot shops. It would be naive to think that the "imaginary" shortage will disappear as soon as we accelerate technological progress or bring into order the system of planning and cost-accounting relations, which really needs radical improvement.

In view of the worsening demographic situation and the need to use poorer and more remote sources of raw materials, one must learn to manage labour resources efficiently. To manage them in such a way—I repeat this idea of Tina Dzokayeva's—so as to meet first of all the requirements of all branches of material production. Above all, one has to concern oneself with the full reproduction of the working class, the main productive force on Earth.

I shall permit myself to assert that in recent years not only the outlook of youth but also the whole system of personnel training have been influenced to varying degrees by myths born of the modern scientific and technological revolution.

I have in mind some futurologists' theories about the decline of the role of workers' trades, about the growing importance of "bearers of knowledge", about the dawn of the era of computers, a "push-button civilization" and a "white-collar kingdom".

Indeed, recent years have seen a sharp decrease in the number of workers engaged in agriculture, the relative stability of the number of people employed in the sphere of material production as a whole, and a rapid rise of employment in the services sphere. But if we turn to the non-agricultural spheres of material production in the United States we shall see that in the postwar years (1947-1975) employment in industry grew by 14 per cent, in construction by 63 per cent and in transport and the municipal economy by

only eight per cent. The United States deliberately curtailed oil and coal extraction and sharply increased the import of Middle East oil. Developing road transport on the basis of cheap petrol, the Americans neglected their railways and the urban public transport.

At the present time, as is well known, they are paying for this with an acute energy crisis, a currency crisis and an urban crisis. American politicians and economists themselves are highly alarmed by the state of their economy.

Not long ago I heard an American professor explain the causes of inflation and of the fall in labour productivity. He spoke with alarm about the hypertrophied development of the services sphere, in particular the banks, insurance companies, show business, advertising and law firms. He said the United States had diverted too many people from productive labour... In factories one could compare inputs with results, while in institutions people received money but it was hard to say what for.

There is no doubt that the need to restore its fuel industry and railway and urban transport and to switch over the power industry to coal will compel the United States to increase the proportion of people engaged in material production. But even today workers constitute 53.2 per cent of the total number of those working for wages and together with clerks, whose number, despite computerization, is growing particularly rapidly, the proportion of those engaged in "ordinary" labour rose in the postwar years from 69.7 to 71.3 per cent.

A rapid absolute and relative growth in the number of people engaged in material production is to be observed in other countries as well. In Japan, for instance, during the twenty years from 1950 to 1970 the number of industrial workers doubled and their proportion among the gainfully employed population rose from 24 to 36 per cent. In Italy

it went up from 30 to 43 per cent and in West Germany from 39 to 46 per cent.

There is no denying that technological progress reduces the need for arduous manual labour and enhances the role of professions of predominantly mental labour. But it would be wrong to forget the real limitations that exist in the use of new machinery, apparatus, instruments, new manufacturing techniques, and so on, which are well known to people dealing with technology. In the first place, a high degree of mechanization and automation is attainable only in the case of mass production of homogeneous, standard products such as electricity, oil derivatives, rolled stock, paper, synthetic fibres, and so on. But in these industries the cost of the labour of those directly involved in production constitutes only a small portion of all the labour invested in their products, which contain a large proportion of the labour of miners, timbermen and engineering workers who make turbines, boilers, paper-making machinery and rolling mills.

The Volzhsky car factory in Togliatti is a very modern mass production enterprise, but even there the role of manual labour in body making, on the main assembly line and in the auxiliary shops is quite high. Besides, materials, energy and components constitute 73 per cent of the production cost of **Zhiguli (Lada)** cars. So miners, metal-makers, builders and suppliers of machine-tools play a much bigger role in making cars than the actual car-makers. Of course, technological progress is taking place in the mines and at construction sites as well, but it would be utopian to say that in the immediate future the need for physical labour will be considerably reduced or even eliminated.

Determining the future need for labour resources, one must also reckon with the fact that technological progress should offset unfavourable tendencies connected with the utilization of poorer and hard-of-access sources of raw mate-

rials and the expenditure of labour on restoring natural resources. So new machinery and technology often lead not so much to a reduction of the overall expenditure in the production of particular products, as to the shift of these expenditures, primarily into the sphere of machine-building.

It should also be recalled that new machinery is not an end in itself: it is useful only when its use reduces total expenditure per unit of output. In some instances, even when this is technically possible, the mechanization of particular forms of labour is simply unjustified economically. In real life one has to take account also of the limited nature of capital investments and production capacities, which makes it impossible to eliminate manual labour even where this is expedient. Finally, the growth of the people's material well-being and cultural level is accompanied by a growth in demand for handicraft articles, individually tailored clothes, the repair of flats and other services calling for highly-skilled manual labour. It is clear to everybody that a dinner cooked by the chef in a good restaurant will always be tastier than a dinner prepared from tinned food. So I think it wrong to suppose that the shortage of manpower will end automatically as soon as all economic executives come to realize the usefulness of technological progress.

Not, of course, that I call for restraining technological progress. On the contrary, it should be accelerated many times over, and the question of how to accelerate it is an important, but a separate, problem. Within the framework of our discussion I would like to stress another thing: the legitimate striving for interesting work and the desire to avoid arduous labour should be prevented from developing into the dangerous tendency of fleeing from any specific strictly regulated labour and striving for an easy life. In order to combat losses and strengthen discipline one must eliminate the shortage of the forms of labour which society needs most

of all, one must cut off the many channels to fictitious labour and limit access to those kinds of activities without which society can do for the time being without inflicting serious harm on the living standard and intellectual development of the people.

To my mind, it is high time to increase the training of skilled wage and salary workers at the expense of reducing the training of specialists with a higher education, and this should be done on a countrywide scale.

I have stated these views of mine many times in the press and many people agree with me. But I also have opponents, who usually accuse me of distrusting scientific and technological progress and describe as "dubious" my proposals for increasing the number of workers. They accuse me of striving "to hinder the desire of young people to show their worth within the precincts of the institute and in the sphere of mental labour" and criticize my plea for increasing the influx of young people into vocational schools.

One has to defend oneself. In thirty of the forty years I worked in industry, I dealt directly with the development, mastering and exploitation of new machinery and was directly involved in the emergence of new machine-tools, steam and hydraulic turbines, atomic reactors, and so on. So I have some experience.

One cannot doubt the need to improve the economic mechanism, to improve planning, management and economic stimulation.

It is also indisputable that scientific and technological progress is the main way to solve all problems facing the Soviet economy, including those of a manpower shortage.

But one should not think that the labour of a scientist and an engineer not supplemented by the labour of a worker can by itself feed and clothe people and provide them with housing.

There should be no counterposing of "brain" and "hands". Faith in science and technology has nothing in common with idolizing them. While giving the might of modern technology its due it is good to be aware of both the limits of this might and of the real rates of its growth. It seems that at least to the end of this century—I do not dare to look further ahead—the labour of the miner, of the repairman replacing railway and tramway lines at night, of the street-sweeper emptying dustbins, of the washer of bus windows, of the hospital attendant and that of the cashier in a savings bank will be as indispensable to society as it is today.

The possible mechanization of these and other kinds of "simple" labour will, of course, increase its productivity, but it will change fundamentally neither its character, nor the need for it.

In the meantime, the number of persons wishing to engage in such labour is obviously smaller than is needed. That is why I share the view of those scholars and practical workers who consider restoration of the prestige of workers' trades to be an important task facing society today.

Higher education is a boon, to be sure, and it will probably become universal in the USSR, just as secondary education already is. But has the time for this arrived? I think it has not. According to statistics, in the next few years the number of young people annually coming of working age will decrease considerably in our country. At the same time, the number of people retiring on pension will grow. Therefore, the balance of labour resources will be very taut. One has to reckon with this. If every year two and a half million young people continue to enter higher and specialized secondary schools, the shortage of workers will become even more acute.

CHAPTER VI

Who Can Do What

An Amateur's View

A fairly unorthodox view on how to approach the solution of the problem of a manpower shortage has been expressed by **Nikolai Goltsov,** a Moscow cinematographer who calls himself "an amateur in questions of economics, law and labour resources".

In an article 'Who Can Do What" published in **Literaturnaya Gazeta** he confesses that he has gradually begun to doubt the triumph of the principle of narrow specialization in professions and trades. "Leonardo da Vinci," he writes, "was called not only a great painter, but also a great mathematician, mechanic and engineer. Spinoza was a master

in glass grinding. Countless such examples from the lives of famous persons in the past and the present could be cited."

He thinks versatility is not the privilege of gifted individuals, but an imperative need of the times, a result of scientific and technological progress. He asks: what can a man do when the process of the universal division of labour is inexorable? Is he really fated to devote all his brains and talent to one thing only, such as, for instance, driving cars, designing, serving passengers, or building houses?

Who will argue that fate decreed he should have only one profession and that it is all he can do? What if he acquired it by chance—received the wrong education, was compelled to acquire it by the circumstances of his life? Will the dreams of mankind's finest minds about an all-round polytechnical education, the free choice of professions and doubling up on specialities remain dreams broken against the implacable law of the universal division of labour?

What prevents a person from fully displaying all his gifts in the sphere of social production? Nikolai Goltsov arrived at the paradoxical idea: "The working day above all." He writes: "Imagine for a moment the following picture: you come to a bakery and ask for a kilogram of bread. In reply you are asked to buy eight kilograms, because they do not sell bread in smaller amounts." It seems to Goltsov that to measure human labour by such long periods of time as whole working days is the same like selling bread in eight-kilogram loaves. It is an unpardonable squandering of time. In his opinion, the main question is this: how much specific work by particular specialists is needed for production? Even if an engineer is needed for five hours, he is considered to have worked the whole day. "I am resolutely opposed to obligatory, law-sanctioned idleness at work when the work has been finished but the working day drags on. So I ven-

ture to put forward the slogan: 'Long live the working hour!' Of course, the working hour is not an ideal unit for measuring labour, either. There must be something else, while time is only a palliative. But even the introduction of more flexible forms of measuring labour will bring about radical changes in the manpower problem. If an engineer is occupied at his place of work for only two or three hours, he could work at two or three other enterprises, and not necessarily in his narrow field. I can be an unskilled worker, a motor vehicle driver, a music teacher. Give me the possibility of working more. Let me extend the sphere of application of capabilities. Let somebody prove to me that today we are taking from people everything they can do."

The article was printed in the "Social Hypotheses" section of the newspaper. And the author himself regarded his reasoning as "only a dream, a kind of social fantasy". But at the same time he presented practical considerations: the broader the scope for a creative approach to work, the less trouble there is with personnel, of which there is a shortage, and with labour discipline.

Quite a riddle was set for readers by "amateur Goltsov". To abandon narrow specialization? Permit the extensive combination of many professions? Make the working hour and not the working day the basis of all calculations in rate setting and the remuneration of labour? Enable everyone to work in one organization as many hours as suited him and the administration by mutual agreement? Advise a man to try to show his worth simultaneously in different professions and in different jobs? Back up all this with radical changes in labour legislation?

Neither more, nor less.

The author expected polemics, criticism and argument but instead provoked a huge mail from those who think like

him. Perhaps he achieved more than he expected: he induced many people to consider their own destiny.

Builder **V. Berzhanovsky,** of Sverdlovsk, wrote: "Your article set me thinking: what, indeed, can I do? Can I, a man of working age with a higher education, prove I can do more and better work, that my output can exceed the established framework?"

L. Shendrikov, of Mogilev, remarked: "Goltsov has said what everybody thinks. And it is not a hypothesis at all, but a man's longing for his own humaneness. Homo sapiens does not want to be a robot, he has not been programmed since childhood to do one thing only."

People tried to prove this on the basis of their own experience. Even those who, like **B. Polityko,** of Moscow, believed that "life is in itself a sufficiently good examiner which assigns everyone to his place", nevertheless admitted that "wise life demands that we not only ponder the capabilities of a man, but also provide him with a broad field for his activities, because narrow specialization is nothing but the hamstringing of capabilities". Here we have an interlacing of philosophical, social and ethical problems.

E. Nosko, of Antratsit, wrote: "Why is it impossible to work in a mine one day and on another day to plant flowers? To alternate easy and arduous, boring and interesting work? As experience has shown, a man can be at once a member of most diverse collectives—work, family or students' groups; why, then, shouldn't he be a member of two or three work collectives? Why can't he double up in different professions or trades at different enterprises? I am convinced that the future belongs to very broad, mass-scale professionalism. To be sure, it will give rise to a multitude of problems, but how the possibilities of everyone will broaden!"

Is the author of that letter a dreamer soaring in the clouds?

I wonder. His trade is not only an earthly one, but an underground one. "I work at the Tsentralnaya mine, in a team mining coal."

One might think Goltsov's article is just dreams, schemes and guesses, but the letters in response to it are indicative of the very prosaic, everyday cares of hardworking people. Readers are seeking radical solutions. The letters that lie on our table are essentially constructive.

An institute in the town of Dzerzhinsk once had more lorries and buses than drivers, yet the drivers quite successfully coped with their job, taking each other's place. The deputy director could send a bus driver to drive a lorry if his work-mate fell ill or was on holiday. "Today a lorry is standing idle," he complains in a letter to the newspaper, "while a bus driver, when there is no work for him, loiters about in the garage, with no drop in his earnings. According to the new rules of the State Motor Vehicle Inspection, there can be no changing over from one type of motor vehicle to another: specialization! Soon the zealots of specialization will bring us to a point when the whole population of the country will not be enough for all the professions and trades."

Readers are puzzled. "Why must one reduce or even totally ban pluralism?" asks **E. Bereza,** of Zaporozhye.

N. Vasilyev, of Novgorod, contends: "Without amending the legislation on the working day and without pluralism one cannot at a time of a manpower shortage, carry out the assignments of the 10th five-year plan and especially the 11th one successfully.

A. Sobolev, of Orsk, and **I. Flek,** of Izmail, suggest: "One must considerably extend the rights of economic executives in the sphere of stock-taking of labour, allowing them to hire pluralists and to pay them according to the actual number of hours worked."

But isn't all this a vain effort? Will people be found who will want to and can do different things equally well, can combine mental and manual labour?

Here is the story of a man described in one of the letters.

In the city of Thorez in the Donets region, **Leonid Ryndin,** a mining school teacher highly respected by his students and colleagues, voluntarily worked as a welder, electrician and plumber, made working models and did poker-work, doing all this from pure enthusiasm. His house, which stood not far from the school, looked like a workshop. He collected scrap iron in the school's courtyard and from it made various things for the school. Upon reaching pensionable age he began to work as a fitter.

"Why are there so few people like Leonid Ryndin?" asks **P. Kharkovsky,** who told the story in his letter. "Why are there so few enthusiasts capable of doing so many things? For days now I have been thinking of Goltsov's article. Goltsov concluded his article with the question: 'Do you agree? Or would you like to raise an objection?' 'I wholeheartedly agree,' I wrote impulsively, straight on the sheet of the newspaper. I, too, am disturbed by such thoughts."

Why are there so few people who can do different things and work well enough at several jobs? Evidently this is the result of a tradition in accordance with which man's capabilities are used only partially, within the framework of narrow specialization. Like a jinni, they are confined in the bottle of one profession or trade. There is reluctance to let the jinni out of the bottle, explained by the fear of unexpected and uncontrollable consequences. But does the jinni feel comfortable in the bottle? It's already too late to search for something else. The whole day is spent at work. Life leaves only one's days off for hobbies. True, some people manage to clutch at this straw, and then a hobby be-

comes a profession. Then a surgeon simultaneously becomes a writer, as in the case of Yuli Krelin, who continues to perform operations in his clinic, or in the case of Boris Raushenbakh, Corresponding Member of the USSR Academy of Sciences, a promient specialist in the field of mechanics and control processes, who suddenly discovered he had a professional interest in old Russian painting and wrote a book about it. Once at a soirée in the Scientists' Club in Moscow, at which Raushenbakh and other versatile people were speaking, the conversation turned to the possibility of a harmony between narrow specialization and broad erudition, and a lively argument ensued.

Not everyone is a genius, but evidently everyone could try to show his worth in various fields of manual and mental labour to make his life full, to be useful to society to the extent of his much better ascertained abilities. It is a question of trusting man and his capabilities. But an opposite tendency has taken root already in the legislation regulating payment and labour. It has become a fixed idea in the public mind and is seen as the natural order of things. One must truly be a fanatic to strive to break out of the circle of habit. But perhaps it is worth trying to "shake loose" the tradition and then break it down altogether?

"The State Committee for Labour and Social Problems will not permit it," predicts one reader. "The newspaper has posed an interesting and necessary but doomed topic," prophesies another reader. Pessimism is not yet negation. We would like to hear official opponents. We ourselves will have to formulate their position, for it is not so far reflected in the correspondence. Now, what could be said against the stand of Goltsov and his fellow-thinkers?

This, for instance: You are pushing society towards mass-scale dilettantism at a time when competence is demanded from everyone. Narrow specialization is not a whim or an

error, but due payment for the necessity to have a skill brought to perfection, to do a great deal and do it quickly. A jack-of-all-trades will dawdle for a whole hour, while a professional will hammer in a nail with one well-aimed stroke. Individual exceptions only confirm the rule. Yes, the famous Russian chemist Alexander Borodin was an outstanding composer, but this does not prove anything. Yes, in the past people could make beautiful things which today please the eyes of visitors to museums. Master Levsha, the hero of a story by Nikolai Leskov, a Russian writer of the past century, could shoe a flea, but professional farriers are needed to cater for a herd of horses. Division of labour is a harsh but inevitable process in the development of mankind, at any rate, in our own civilization with our economic possibilities and level of knowledge.

Another point: With your call for pluralism you are sowing in social soil the seeds of undisguised hackwork. People are not given full-time jobs because of shortcomings in rate-setting and management and superfluous personnel. If someone does his job in half a day, then reduce the staff and give the remaining personnel a full work load. Restore order, and there will be no people frittering their time away and none seeking to "pluralize", snatching slices of the social pie without any love for work.

This can be easily said. But it is far from non-controversial.

Competence on the basis of narrow knowledge? But thousands of interesting and socially useful jobs do not demand any special knowledge or long training. Explain to the miner why he cannot plant flowers in his town every other day, to the book-keeper why he cannot sell periodicals, to the lorry driver why he cannot take orders from a multiple service establishment for padding doors. The "lofty considerations" about civilization, the division of labour, knowledge and abilities do not prevent us hailing the doubling-up on

jobs in workers' teams but evidently become an irrefutable argument when something bigger is involved.

Underloading? Superfluous personnel? Work quotas? But there also the problem of talent arises. Under any quotas, even the highest ones, there is someone who does the job twice and even three times faster than others, grasping things more quickly and having quicker hands. Should those who are slow to grasp be dismissed? It would be unjust. And difference in ability will remain, even if the staff are all geniuses.

Why should people who do their jobs well and quickly be given the same jobs over and over again? Perhaps one should not object if they want to try their hand at some other job, in a different profession, a related or an entirely different one, in a different sphere of activity, in a different work collective? Let them be paid according to their work, and after they have earned several hours free time let them go to pluralize wherever they want. Let them show their worth. For their own good and that of society.

This looks like an endless argument. No one has yet invented a more reliable criterion of truth than practice. Let us hear the objections of a supporter.

"Goltsov's article on the limits of our possibilities raises a question of vast importance. At the same time the measures of more detailed time-keeping and differentiated use of time, which the author suggests, reduce the problem to fragments, to a striving to remove limitations in labour legislation. In fact, we suffer not so much from inaccurate or excessively punctual laws as from a failure to understand what the struggle for real labour productivity is."

The author of this letter is **Anatoli Senchenko,** Doctor of Physical and Mathematical Sciences, who heads a laboratory at the Kurchatov atomic energy institute. He supports his view with simple examples. A plumber must be a man of

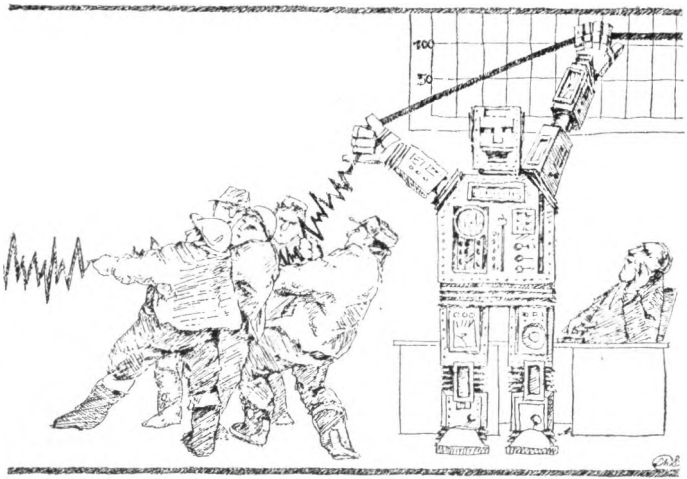
high skill, because every repair job is non-standard. But his work is not prestigious, and therefore does not attract the most capable and conscientious workers. "But are these trades at all necessary as the vocation of some of us?" In the scientist's view it would be much better if in leisure hours and for decent pay by means of pluralizing these functions were undertaken by highly-skilled workers from factories, design offices and scientific laboratories.

"Why do engineers look for extra earnings only in the sphere of teaching? Would it be so bad if after hours they were to work once or twice a week in any nearby public service shop? What high-and-mighty morality prevents us from deciding all this in such a simple way?"

In the end the thread of reasoning brings the scientist to thinking about children in some families who grow up as good-for-nothing softies, about the dangerous snobbery and disdain some young people show for simple and healthy physical labour, "about those who have become too clever to go to work in a factory but who, because of the overtaxing of school pupils, loss of interest and shortage of time have never developed, by the time of their maturity, real resourcefulness and have not acquired working skills."

Sparking off thoughts is perhaps one of the most interesting phenomena in social life. The article about the organization of labour and pluralism has given food for thought about the upbringing of the younger generation, about society's need for intellectuals capable of working with their hands.

Everything in this world is interconnected. The physicist is right, but his ideas are unrealizable without changing the laws and rules determining labour relationships between people. That is why "amateur" Nikolai Goltsov has "fragmented the problem".



AFTERWORD

Optimism Is the Keynote

L: Hasn't the impression been created that the participants in the discussion are pessimistic about the possibility of solving the problem?

K: Why do you think so? The polemic has been of an exceptionally constructive character. Everybody presented his own way of combatting a phenomenon not very accurately called a "manpower shortage". It is also significant that both those who admit the fact of a labour shortage and those who agree only partially with this and those who see nothing of the kind in the economy of the USSR are equally intolerant of shortcomings hampering acceleration of the country's economic development in the spirit of the decisions of the 26th Congress of the CPSU, decisions which

oblige us to combat all manifestations of mismanagement and extravagance and to achieve a high degree of efficiency in the economy.

L: Understandably, it is a long-term programme task to bring about a rise in the national economy on the basis of the intensification of production, raising its efficiency and improving the quality of work. Long-term problems cannot be solved without all-round discussion and thorough consideration. I am sure the discussion on the staff shortage has also played a positive role in this respect. Incidentally, this is true of other discussions as well—those on the principles of remuneration of labour, problems of the careers of leading economic executives and many other problems. Generally speaking, it should be noted that discussions of this kind are quite effective. We even started a special regular feature in the newspaper headlined "The Efficiency Commission". After an interval we turned to previous discussions and verified their effectiveness, seeing what actually the public had achieved, what problems had been resolved and what problems were awaiting solution, what new problems were now on the agenda. We secured the participation of highly qualified experts and specialists in the particular field. It turned out that a great deal had been done, and yet new arguments flared up.

K: Evidently you will have to return to the discussion on the labour shortage. People are bound to want to know the results of the discussion and to ask exactly what has been done to change the situation.

L: It seems to me that already today we can sum up some of the specific results of this public discussion. Take a recent conference in Moscow, for instance.

K: You mean the conference on the problem of the country's labour resources, held with the participation of heads of state committees, ministers and eminent scholars?

It was indeed a continuation of the discussion, but already at the level of officials responsible for the solving of the problem. The issue was one of shaping on a nationwide scale an effective demographic policy, hastening scientific and technological progress, improving the quality of capital investments with a view to reasonably limiting the number of newly created jobs, and working out a uniform state system of managing labour resources. As for the frame of mind of conference participants and the tone that prevailed, they were quite optimistic. The conference made practical recommendations as a guide to action for ministries and departments. Incidentally, many of their proposals are already in the process of being introduced.

L: Being introduced? You know, a thought has occurred to me. Let us recall our trips in recent years. Except those to Kurgan and Kaluga, which we have described. Where else have you been? Have you seen any practical steps relating to our theme? What has impressed you?

K: Well, in recent years I have been to the Baltic area and the Ukraine where, of course, much is being done to save labour resources... What I found most interesting was meeting the "Cyclone" in the South Urals.

Imagine a pair of huge mechanical "hands". They take a sheet of brass, put it under one press, then under another and "show" a finished radiator support plate to a mechanical checker. If the checker signals "O.K." the "hands" put the plate in the container. This is what the "Cyclone" automated complex does at the **Radiator** production association in Orenburg. They intend to robotize the whole section. Already the mechanical manipulators of two presses are doing the job better than human operators. The assembly of the second complex is under way and by the end of the year a third will have been installed.

L: I have heard a lot about such things. Robotization is rapidly developing.

K: To hear is one thing and to see it is quite another. Incidentally, the Urals engineers are very consistent. They have organized a special service for developing robots and have set up a group of designers. Dozens of people have been drawn into this work. They travel, accumulating experience and ideas. Dmitri Charny visited the Volzhsky car factory in Togliatti and brought back blueprints of a mini-robot for stamping small parts. They already plan to equip the entire press service of the association with automatic manipulators. Robots will also perform highly complex assembly operations. Engineers say that before long they will need second-generation, self-learning or, as they say, adaptive robots. Co-operation agreements have been concluded with many research organizations and institutes of higher education. Moreover, not long ago a branch of the Orenburg polytechnical institute was opened at the **Radiator** plant to train specialists in automation and robots.

L: Technological progress is a very good thing but I am drawn to something else. When I visit enterprises I am interested primarily in social processes. The success of the work in hand is decided by people in the long run. Recently I visited the Zaplazsky sugar refinery in the Odessa region. It is a seasonal enterprise in the countryside and operated by farmers turned workers. It is as far from robots as the Earth is from the Moon. But they have boldly followed the example of the Kaluga turbine-makers in social transformations, developing democracy and workers' self-government. Here are some points I noted in talks with the director, Ruslan Nikitin, and engineers and workers there. "Guidance of people should be based on moral principles." "Assistance should stimulate an interest in life and work and should not take the form of dictation." "The individual awaits eman-

cipation from injunctions, unnecessary tutelage and interference," and so on and so forth. How do you like that!

K: It's interesting. What are they actually doing?

L: I shall not go into detail, but in general they have done the following. They have divided responsibility between the workers and the management; annual contracts are concluded with teams which have at their disposal all the necessary means of production. They also have a schedule, an estimate, a plan of output and a calculation of permissible expenses. Within these confines the teams operate quite independently, with the workers themselves electing the team leaders and distributing the earnings.

K: It looks very much like the system of the Kaluga turbine-makers.

L: There are some differences, but not essential ones. One of the team leaders, Vasili Pastyka, told me: "There were twenty-seven of us and we thought we were understaffed. After switching to the new system we can do with eleven workers. At first the director did not believe it when he was told that we were reducing the number of team members by more than half and intended to work with eleven, like a football squad. We like the way it is today, and our earnings have grown appreciably." The situation is the same in other teams. In the shop which dries beet cuttings, a by-product valuable as fodder, profits have risen sharply and losses have decreased many times over. Formerly 32 people worked there, while today nineteen suffice.

K: Many more such examples could be given. But the question remains: What have we concluded? Is there or is there not a manpower shortage in the USSR? The question was asked in the title of the book, and readers naturally expect a definite answer from us.

L: There can be no simple answer. The problem is a complex and many-sided one. Many factors are involved.

K: Nevertheless, some things are clear enough. For instance, it is clear that because of demographic processes there will be a decrease in the influx of labour resources in the 1980s.

L: Yes, that is indisputable. It is also true that the problem has a regional colouring. The European part of the USSR and Siberia are experiencing a manpower shortage, while there is a surplus of it in the Caucasus and Central Asia. There is an uneven distribution of labour resources between sectors of the national economy and spheres of activity: some of them are truly starved of staff and others should sharply reduce their staffs. After all, everything is relative. For instance, our machine-building industry has more machine-tools than workers and is complaning of a lack of skilled workers. And what if it raises labour productivity and improves the organization of labour, planning and management? What will happen?

K: Obviously, it will no longer need so many workers and the vacancies that exist today will cease to exist. That is why I say that we have no labour shortage.

L: I woudn't be so categorical. It would be more correct to say one can avoid a manpower shortage, that such a shortage is not inevitable and not organic to the Soviet economy. The problem can be solved. And I think that the measures being taken by the government in this field are quite encouraging.

K: I agree with Goltsov that we shall solve this problem more successfully if we do not adhere to narrow professional specialization. Perhaps, following my colleague, I should consider learning another trade?

* * *

At this point the authors decided it would be fair to let the woman have the last word in the argument.

And so they agreed to put the full stop here.

Sofia KNIZHNIK
Alexander LEVIKOV

Is There a Labour Shortage in the USSR?

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Alexander Levikov, journalist and head of the economic department of *Literaturnaya Gazeta,* has contributed many articles to the Soviet press on the social aspects of economic life and problems of management. His books include *Kolyma and Kolymchane (The Kolyma and Its People), Lyudi Dela (They Know Their Job), Kaluzhsky Variant (The Kaluga Variant), Vesy Doveriya (The Scales of Confidence), To Discover Oneself* and *Who Runs Factories in the USSR?* The last two books were issued by the Novosti Press Agency Publishing House in several foreign languages.

Sofia Knizhnik, engineer-physicist, graduate of the Moscow Steel and Alloys Institute, worked in a research laboratory. After completing a course for television staff in 1968 she took up journalism. Her articles have appeared in *Literaturnaya Gazeta,* the *EKO* monthly of the USSR Academy of Sciences and the magazines *The Soviet Union, Nauka i Tekhnika v SSSR (Science and Technology in the USSR)* and *Izobretatel i Ratsionalizator (Inventor and Innovator).*

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